

FBIS

DAILY REPORT

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PRC DELEGATE SPEAKS AT DISARMAMENT SYMPOSIUM

OW290812 Beijing XINHUA in English 0744 GMT 29 May 85

[Text] Mexico City, May 28 (XINHUA) -- The superpowers should take the lead in both nuclear and conventional disarmament, urged He Ying, head of the Chinese delegation attending a symposium sponsored by the Inter-Parliamentary Union on disarmament relating to conventional weapons.

The Chinese delegation leader told the symposium which opened here today that "with the escalation of the arms race between the two major nuclear powers, the danger of a nuclear war is growing, posing a grave threat to world peace."

"To safeguard world peace has now become the common aspiration of the people all over the world. A nuclear war, should it break out, would bring unprecedented catastrophe to mankind. In view of this, it has been acknowledged by the international community that the prevention of nuclear war and nuclear disarmament are the top priorities in the field of disarmament."

At the same time, he said, "the importance of and the pressing need for halting the conventional arms race, stopping conventional conflicts and proceeding with conventional disarmament should also be fully recognized."

He pointed out: "At present, the conventional arms race is still escalating and conventional conflicts unabated. Some countries are still subject to armed invasions, military occupation and military threats. Moreover, it is most disturbing to see that there is no unsurmountable gap between conventional and nuclear warfare. The danger of conventional war touching off a nuclear conflagration must by no means be overlooked. Therefore, while attaching importance to the prevention of nuclear war and nuclear disarmament, proper attention should also be given to the prevention of conventional conflicts as well as to conventional disarmament and the two should be carried out in conjunction so that they will supplement and promote each other."

"Both conventional and nuclear disarmament should aim at safeguarding and strengthening international peace and security and should proceed from the realities of world armaments. On a global scale, the nuclear as well as conventional arms race is taking place primarily between the two military superpowers," he noted.

"Just as in nuclear disarmament, the superpowers should also take the lead in conventional disarmament. It goes without saying that other militarily important countries also have unshirkable obligations. We hold that every country should, first of all, undertake not to use their conventional military forces to engage in armed intervention, invasion, military occupation or to pose a military threat against any other country. As the first step for reducing conventional armaments, all foreign occupation troops should be immediately withdrawn."

"The superpowers should take the lead in substantially reducing their heavy and new weapons and equipment, especially offensive weapons and equipment. After that, other militarily important countries will join them in reducing their respective conventional armaments according to negotiated reasonable ratios and procedures," he stated.

He said in conclusion that "safeguarding world peace is the general objective of China's foreign policy. The basic state policy of China is to advocate substantial reduction of conventional armaments and the complete and thorough destruction of nuclear weapons.

"As a matter of fact, China is taking effective measures to curb its military expenditures, demobilize and reduce its armed forces, convert armaments production to producing goods for civilian use, so as to effectively promote the growth of China's economy. We are ready, together with the people and parliaments of different countries, to exert efforts to promote disarmament."

XINHUA SEES NO BREAKTHROUGH IN GENEVA TALKS

OW290931 Beijing XINHUA in English 0845 GMT 29 May 85

["News Analysis: Breakthrough Unlikely in the Second Round of Geneva Talks by Tang Xiushan" -- XINHUA headline]

[Text] Moscow, May 28 (XINHUA) -- The second round of Geneva talks between the Soviet Union and the United States will begin May 30. But it appears there will be no breakthrough.

According to inside information revealed recently, serious differences exist on all the matters that were covered in the first round of the talks between the U.S. and the U.S.S.R. Both are uncompromising in their stands.

The major differences are: The Soviet Union wants first, to solve the issue of the arms race in outer space in an attempt to stop the U.S. strategic defense initiative (SDI). The Soviet Union stresses that the solution of the issues of strategic and medium range nuclear arms depends on what happens with the extra-terrestrial arms race.

However, the United States, in an attempt to avoid the outer space issue, insists that research on space defense system is completely in accordance with the anti-missile agreement reached in 1972 between the U.S. and the U.S.S.R. The United States feels that the three issues should be solved separately and there should be no preconditions or linkage.

As for strategic nuclear weapons, the U.S. says that it agrees to reduce intercontinental land-based missiles, submarine based ballistic missiles and aircraft-launched cruise missiles. But it will not reduce the numbers of long-distance cruise missiles.

On the issue of the medium range missiles in Europe, the United States adheres to its "zero option" (according to the U.S. "zero option" proposal, if the Soviet Union removes all of its SS-20, SS-4 and SS-5 medium range missiles from Eastern Europe, Washington will not deploy Pershing 2 or cruise missiles in Western Europe) and "interim solution" (under this proposal, Soviet and U.S. medium range missiles in Europe are to be limited to a same, unspecified ceiling, with some limit on Soviet SS-20s in Asia).

But the Soviet Union maintains that British and French nuclear missiles be counted while medium range missiles deployed in eastern Soviet Union should not be counted. The U.S.S.R. suggests that research on and deployment of space weapons and strategic arms be frozen while the talks are proceeding. But the U.S. has rejected this proposal, saying that this will only help the Soviets maintain their superiority in nuclear arms.

Since the first round of talks, a fierce propaganda war has been raging between the two sides, each accusing the other of taking a "non-constructive" and "stiff" stand, and of being responsible for the failure of the first round. However, no new proposals have come from either side. The U.S.S.R. still maintains that the solution to the space arms race is the "key point" and it will never reduce any of its offensive weapons as long as the U.S. adheres to the SDI.

President Ronald Reagan said recently that the U.S. resolutely opposes any attempt to allow negotiations in one area of arms talks stand in the way of other negotiations. The U.S. Secretary of Defense Caspar Weinberger repeated that the U.S. "strategic defense initiative" is an "irreversible" step that cannot be negotiated.

While opposing the "star wars" program, the Soviets stress that they possess all the scientific and technological means to respond effectively to the program. Indeed, they say, their counter-measures will be more effective and economical. The Warsaw Pact member states support the Soviet proposals made during the arms talks. The leaders of U.S. allies who participated in the recent summit of seven industrial nations support the U.S. plans to develop outer space weapons, though they have different views on whether their countries should participate in the research program. The recently closed meeting of the NATO defense ministers reiterated that the plan to deploy U.S. missiles in Western Europe will proceed. The meeting also decided to modernize conventional arsenals and strengthen nuclear capacity.

Both two superpowers in recent days have intensified the arms race by testing new missiles and anti-satellite weapons. Although the leaders of the Soviet Union and the U.S. have expressed the wish to hold summit talks, the date and place for a summit have not been settled.

All the above evidence indicates that the two sides have sharp contradictions in their stands and neither of them is ready to compromise. In such an atmosphere, one cannot expect a breakthrough to emerge from the second round of talks in Geneva.

PRC TO HOST FORUM ON SAFEGUARDING WORLD PEACE

OW281122 Beijing XINHUA in English 1052 GMT 28 May 85

[Text] Beijing, May 28 (XINHUA) -- China has completed preparations for hosting a forum on safeguarding world peace to be held in Beijing from June 4 to 6. The forum will be sponsored by the Chinese Association for International Understanding (CAFIU).

This was announced today by He Xiquan, director-general of the association. He pointed out that defending world peace and easing international tensions are the common aspiration of the people of all countries. "Today, the burgeoning mass movements for peace, detente and disarmament, especially nuclear disarmament, forcefully demonstrate such a common aspiration," he said.

He described the purpose of the forum as to strengthen CAFIU's ties and cooperation with peace movements, organizations and personages in other countries.

He said the association had already invited those peace organizations and personages that had established ties with it to attend the forum. Others interested in the peace issue are also welcome to attend, he added.

So far more than 60 leading members and social activists from 50 peace organizations in 20 countries had accepted invitations to attend the forum, he said.

Participants will be encouraged to exchange views on the subject of safeguarding world peace in the spirit of respecting each other's positions and seeking common ground while reserving differences.

He stressed that the forum would not adopt any document. He also gave a brief introduction to the CAFIU and answered questions raised by reporters.

Founded in September 1981, the association is a civil organization composed of prominent personages, scholars and social activists from various organizations, political parties and other bodies in China. Its aim is to promote mutual understanding and friendship between China and other countries, and safeguard world peace.

[Beijing ZHONGGUO XINWEN SHE in Chinese at 0757 GMT on 28 May carries a similar item that includes the following: "Participating in the forum will be more than 60 representatives of more than 50 peace organization from more than 20 countries, including West European, North American, and Oceanic countries, as well as Japan. On the Chinese side, responsible people concerned from various mass organizations and well-known people from various circles, more than 40 people in all, will participate in the conference. No representatives from East European countries are to participate in this forum since the Chinese Association for International Understanding has not yet established ties with any peace organizations in Eastern Europe."]

UN ASIAN-PACIFIC PEACE SEMINAR ENDS IN BANGKOK

OW241348 Beijing XINHUA in English 1317 GMT 24 May 85

[Text] Bangkok, May 24 (XINHUA) -- The five-day International Year of Peace seminar for the Asia-Pacific and West Asia regions ended here today with the adoption of a final statement calling for all efforts to bring a stop to the senseless accumulation of nuclear weapons. The statement welcomed the establishment of nuclear weapon-free zones and peace zones in the Asia-Pacific and West Asia regions, particularly in the Indian Ocean and the South Pacific, which "can significantly contribute to peace."

All participants welcomed the strategic arms limitation talks between the Soviet Union and the United States, as well as other bilateral and regional disarmament efforts. A number of participants emphasized the importance of a nuclear-free defense strategy, the pledge of non-first use of nuclear weapons, as well as assurance that nuclear weapons would not be used against non-nuclear-weapon states.

The statement also described the respect for the sovereignty and territorial integrity of all countries as an essential aspect of preservation of peace. It urged all governments to abide by this principle, as well as the principles of non-aggression, non-interference in the internal affairs of other states and the peaceful settlement of all international disputes. The statement called on the international community to work together towards the fulfillment of the common goals of all people for a better, more just and secure world.

The seminar, attended by representatives from 23 countries including China, the Soviet Union, the United States and Thailand, was the last of the four regional seminars organized by the United Nations as part of the preparations for the 1986 International Year of Peace. It was learned at the seminar that China has set up a national organization committee for observing the International Year of Peace. Activities planned include a Beijing rally, a symposium, publication of articles, literary works, pamphlets, songs, calligraphy, paintings, making of films and presentation of performance, issuance of commemorative stamps and commemorative medallions.

ANALYSIS VIEWS RELATIONS BETWEEN REAGAN, CONGRESS

OW251246 Beijing XINHUA in English 1222 GMT 25 May 85

["Roundup: Strained Relations Between White House and Congress (by Shi Lujia)" -- XINHUA headline]

[Text] Washington, May 24 (XINHUA) -- The first four months of U.S. President Reagan's second term have seen a steady deterioration in the relations between the White House and Capitol Hill, signifying further intensification of the struggle between the two major political parties as well as among various interests groups in the country.

Unlike the first two years of Reagan's first term when he won easy victories from a compliant Congress, the landslide victory he won in the general elections last November did not turn out to be a mandate from the Congress. Instead, he had to fight a trench warfare almost from the very beginning of this term in nearly every major legislative issue, such as farm credit bill, funds for MX missiles, aid to Nicaraguan rebels and budget for the 1986 fiscal year.

The biggest setback Reagan has suffered so far was the rejection by Congress last month of his request for 14 million U.S. dollars in aid to the anti-government forces in Nicaragua. Pursuing a consistent policy of interfering in the internal affairs of Nicaragua, Reagan lobbied vehemently for the passage of the proposal as part of his effort to "remove" the legitimate Nicaraguan Government "in its present structure". But Congress, with more and more members doubting about the U.S. role in Central America, turned it down.

The defeat followed a close-margin victory for Reagan in March -- congressional approval to continue production of MX missiles which he needs badly as a bargaining chip in the Geneva arms control talks with the Soviet Union. But the price he paid in getting the votes was so great that even his closest aides worried that the success may have expended whatever political capital he had from the November landslide.

Furthermore, Reagan had to agree yesterday to reduce the number of the MX missiles to be deployed in existing Minuteman silos from 100 to 50 under mounting pressure from the Senate to impose a cap of 40. This was seen here as another major setback for Reagan's MX program, the centerpiece of his ambitious strategic arms modernization plan.

The budget for fiscal 1986 has been a central battlefield for the 99th Congress to assert itself ever since it convened on January 3. After several months of intensive bargainings and with Reagan having made considerable concessions, both chambers of Congress have now separately approved their own budget outlines which provide no increase or only an inflation-adjusted increase in military spending and much less cuts in domestic programs than Reagan wanted.

Reagan has declared that this was unacceptable to him. It is expected that agreement on a budget for the coming year may be still months away.

The outlook for the tax reform plan, another masterpiece in Reagan's so-called "second American revolution" he promised in his inaugural address in January, also seems growing dimmer. Political observers predicted that when the plan arrives on Capitol Hill later this month, it will certainly meet strong resistance from those members of Congress representing the groups and individuals who stand to lose tax preferences they have enjoyed so far.

Meanwhile, it was reported that proposals for raising minimum corporate income taxes to lower the huge federal deficits are gaining support rapidly on Capitol Hill, despite Reagan's repeated warning that he would allow any tax increase only "over my dead body."

In addition to all this, Congress also kept distance from Reagan over his controversial visit to a Federal German soldiers' cemetery in Bitburg. Members of both parties in Congress raced to the television cameras to denounce the visit and both chambers passed resolutions urging the President not to go.

What worries Reagan most, perhaps, is the fact that in most cases of the Congress insurrections, it was the Republicans that led the way, showing an ever stronger independence since Reagan was first elected President. This suggests that Reagan will have even rougher times ahead in his dealing with Congress in face of the 1986 mid-term elections when 22 Republican members of the Senate are up for reelection and the Republican control of the chamber is considered in jeopardy.

REAGAN GREETES FUDAN UNIVERSITY ANNIVERSARY

OW281240 Beijing XINHUA in English 1217 GMT 28 May 85

[Text] Shanghai, May 28 (XINHUA) -- President Ronald Reagan sent a message of greetings on the 80th founding anniversary of Fudan University in Shanghai. The message was read at the celebration ceremony yesterday.

Reagan, who visited the campus during his China tour in April, 1984, said that he would always "fondly remember the intellectual acumen, the vitality, and the dedication of the people of Fudan." He expressed the conviction that "scientific and educational exchanges between the U.S. and China can benefit both of our countries."

GU MU URGES CONTINUED BOEING-CAAC COOPERATION

OW251132 Beijing XINHUA in English 1040 GMT 25 May 85

[Text] Beijing, May 25 (XINHUA) -- China hopes the U.S. Boeing Company will continue to broaden cooperation with China's national airline CAAC and the aviation industry, said State Councillor Gu Mu here today. "There will be a great development in China's civil aviation business," Gu Mu said when he met Boeing Chairman Thornton A. Wilson.

"Both of you," he said, "should explore new avenues and fields of cooperation and rise to new heights, despite Boeing's good trade relations with CAAC and the aviation manufacturing departments in the past." It had been a good move of Boeing's, he said, to progress from selling aircraft to CAAC to jointly producing jet parts with Chinese industry.

"You should keep this up and expand economic and technical cooperation, which benefits both parties." Civil aviation in China, he said, still lagged behind national economic development and could not meet the growing demands of international exchange and tourism.

Wilson arrived here Wednesday to attend the contract signing ceremony for CAAC's purchase of eight Boeing aircraft. CAAC is paying 350 million U.S. dollars for one 747, two 767's and five 737-200's. CAAC has now bought 37 airplanes from Boeing.

Wilson assured Gu Boeing would "do everything possible" to support CAAC in services, improve cooperation with CAAC and China's aviation industry in various technological fields and sell CAAC advanced aircraft and instruments. CAAC Director General Hu Yizhou attended the meeting.

NORTH, SOUTH KOREAN RED CROSS TALKS BEGIN

OW281945 Beijing XINHUA in English 1918 GMT 28 May 85

[Text] Pyongyang, May 28 (XINHUA) -- The Democratic People's Republic of Korea (DPRK), has proposed that the question of free visits by split families living in the North and South of Korea should be discussed first in the Red Cross talks, the KOREA CENTRAL NEWS AGENCY reported today.

The proposal was made by Yi Chong-yul, head of the DPRK Red Cross Society delegation, during the 8th round of North-South Red Cross talks, which resumed in Seoul today.

Yi suggested that visiting relatives can pass the Military Demarcation Line at the truce village of Panmunjom and the city of Cholwon. He stressed that personal safety of visitors should be guaranteed. Yi also proposed that the two sides exchange art ensemble headed by their Red Cross leaders on the occasion of the 40th anniversary of Korea's independence.

The South Korean delegation proposed that the whereabouts of dispersed relatives be found out first.

Kang Sok-sung, one of the seven advisers to the Northern side, and a department director of the DPRK Workers Party, stressed that to alleviate the sufferings of the split families is the most important humanitarian issue of Korea and the primary task to end the divided state of the country.

The talks will continue till May 29. The South Korean Red Cross threw a luncheon today in honor of the DPRK Red Cross delegation.

TRADE UNION GROUP CALLS ON DPRK OFFICIAL

OW271024 Beijing XINHUA in English 0855 GMT 27 May 85

[Text] Pyongyang, May 27 (XINHUA) -- The exchanges between the trade unions of Korea and China are of great significance to strengthening the unity between the working classes of the two nations, a high ranking Korean official said here today.

Meeting Zhang Ruiying, vice chairman of the All-China Federation of Trade Unions, Chong Chun-ki, vice premier of the Administration Council of Korea, thanked the All-China Federation of Trade Unions and the Chinese working class for their support for Korea's cause of national reunification. He also expressed the wish that the Chinese working class would make greater achievements in the realization of the four modernizations.

Present at the meeting were Vice Chairman of the Central Committee of the General Federation of Trade Unions of Korea Kim Hui-su and Chinese Ambassador Zong Kewen. The Chinese trade union delegation led by Zhang Ruiying arrived here for a visit on May 17.

S. KOREAN STUDENT PROTESTS SAID ON INCREASE

OW231805 Beijing XINHUA in English 1458 GMT 23 May 85

[Text] Pyongyang, May 23 (XINHUA) -- Since early March South Korean students have held 995 anti-government demonstrations, double that of the same period last year, according to a KCNA report.

The KCNA report said this figure was in material of the Home Affairs Committee of the South Korean National Assembly. The material revealed that about 272,000 students participated in these demonstrations, 0.7 times more than that of the same period last year.

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Meanwhile, South Korean police arrested over 2,000 student demonstrators and about 1,700 policemen were wounded in suppressing the demonstrations.

SHANGHAI OFFICIAL ADDRESSES PRC-JAPAN SYMPOSIUM

OW240935 Beijing XINHUA in English 0831 GMT 24 May 85

[Text] Shanghai, May 24 (XINHUA) -- The income tax levied on enterprises with foreign investment could be reduced 30 percent in Shanghai, according the city's Committee of Foreign Relations and Trade Thursday.

The tax will be lowered by 30, 24 and 15 percent according to the degrees of the enterprises' technological sophistication, a senior committee official said. He also said that imported goods and materials for joint-venture enterprises will be free from customs duty and industrial and commercial consolidated tax.

Speaking at the closing session of a "21st Century Chinese and Japanese Economy" symposium yesterday, he said that the city, already open to foreign investment, will never close its door.

Shanghai is one of the 14 coastal cities opened last year to foreign investment and, as such, may independently approve projects involving up to 30 million yuan of U.S. dollars.

He assured participants at the symposium that it will be profitable to invest in Shanghai.

The symposium opened in Beijing on May 20. It received a message of greetings from Japanese Prime Minister Yasuhiro Nakasone. While in Beijing, the participants were received by premier Zhao Ziyang.

FANG YI PRAISES TSUKUBA EXPO BEFORE DEPARTURE

OW241523 Beijing XINHUA in English 1435 GMT 24 May 85

[Text] Tokyo, May 24 (XINHUA) -- Visiting Chinese State Councillor Fang Yi said here today that the international Tsukuba Expo '85 has made a contribution to the further promotion of scientific and technological exchanges among nations. Fang made the remark in an interview with XINHUA before his departure for home.

He said that the Chinese people are now wholeheartedly engaged in the construction of four modernizations, and that China will learn from other countries through the exposition.

Fang and his entourage arrived here on May 16 at the invitation of the Japanese Government and the Japan-China Society. During their stay here, they attended the Tsukuba Expo '85 "China Day" and visited parts of the exposition. They also met with Japanese Prime Minister Yasuhiro Nakasone, Foreign Minister Shintaro Abe.

FANG YI MEETS JAPANESE OFFICIALS FROM ISHIKAWA

OW251434 Beijing XINHUA in English 1320 GMT 25 May 85

[Text] Beijing, May 25 (XINHUA) -- State Councillor Fang Yi met and had a cordial talk with a Japanese delegation of officials from Ishikawa Prefecture here today.

The delegation has Takaaki Yasuta, member of the Japanese House of Councillors, as its advisor and Tomonari Matsusaki, head of Tathuno Guchi, as its leader.

It arrived here Friday on a visit at the invitation of the China-Japan Friendship Association.

MACAO PEOPLE WELCOME FUTURE PRC-PORTUGAL TALKS

OW252050 Beijing XINHUA Domestic Service in Chinese 0841 GMT 24 May 85

[Text] Hong Kong, 24 May (XINHUA) -- After learning of the press communique on the agreement between China and Portugal's leaders to hold talks in the near future to settle the Macao question through diplomatic channels, personalities of various circles in Macao universally expressed their welcome for the forthcoming talks. On the reaction of personalities of various circles in Macao to the press communique, Hong Kong newspapers said: "All circles in Macao deem it appropriate for China and Portugal to hold talks at this time," "the Sino-Portuguese statement has set people's mind at ease," and "the general reaction of Macao is peaceful and optimistic."

Macao Governor Costa said that the communique will usher in a new stage of Sino-Portuguese relations, specifically in connection with Macao. He held that everyone has reason to be happy about the communique. Ma Man-kee, president of Macao's Chinese General Chamber of Commerce, said: Because the plan for settling Hong Kong's future can serve as our reference, we believe the Macao question can be settled satisfactorily. He Houhua, son of late Macao celebrity Ho Yin and general manager of the Banco Tai Fung, and Liao Zeyun, chairman Macao management speciality association, held that the common aspiration of all residents in Macao is for prosperity and stability, and personalities of all circles in Macao should contribute to a smooth transition of Macao's political power and to the maintenance of its stability and prosperity.

FIJI PRIME MINISTER MARA ENDS VISIT TO PRC

OW241553 Beijing XINHUA in English 1544 GMT 24 May 85

[Text] Guangzhou, May 24 (XINHUA) -- Fijian Prime Minister Kamisese Mara, Mrs. Mara and their party concluded their six-day official visit to China and left here tonight.

Before the prime minister left, Chinese Minister of Forestry Yang Zhong, who had accompanied the visitors on their tour, conveyed to Mara a telephone message from Chinese Premier Zhao Ziyang, in which Zhao congratulated Mara on his successful visit to China, especially the economic ties set up between Zhejiang Province and Fiji during the trip. Zhao also said he believed Mara's visit would further promote Sino-Fijian friendship and cooperation.

Mara told Yang Zhong that he was very glad to receive the message. He said he had learned a lot from his visit and was deeply impressed by the warm reception he had been accorded. He expressed his thanks to Premier Zhao Ziyang, General Secretary Hu Yaobang, and the Chinese Government and people.

The Fijian visitors arrived here from Hangzhou this morning. They visited factories and families of workers here, and attended a reception in their honor.

GU MU MEETS SINGAPORE BANKING DELEGATION

OW281909 Beijing XINHUA in English 1842 GMT 28 May 85

[Text] Beijing, May 28 (XINHUA) -- State Councillor Gu Mu met here today Wee Cho Yaw, chairman of the United Overseas Bank Group of Singapore, and his party. Gu briefed the visitors on the construction of China's special economic zones. Acting President of Bank of China Zhao Bingde was present at the meeting. Wee arrived here yesterday at the invitation of Bank of China. He will preside over a ceremony marking the opening of his bank's Beijing office.

BANGLADESH LAUDED FOR EFFORTS IN WORLD PEACE

OW270226 Beijing XINHUA in English 0202 GMT 27 May 85

["Bangladesh Works for World Peace by Wu Dingbao" -- XINHUA headline]

[Text] Dhaka, May 27 (XINHUA) -- Bangladesh has made great contributions to preserving world peace and has played a positive role in international affairs since its independence in 1971.

In international affairs, Bangladesh upholds the five principles of coexistence and supports the just struggles for national independence and against aggression and hegemony. It is firmly opposed to the Soviet occupation of Afghanistan and the Vietnamese occupation of Kampuchea. It supports the Palestinian people and calls for the unconditional withdrawal of Israel from the occupied Arab territories.

As a member of the Iran-Iraq Peace Committee of the Islamic Conference Organization, Bangladesh has been working hard to mediate between the two belligerents. Bangladesh President Hussain Mohammad Ershad has reiterated that his country would make every effort to bring an end to the Iran-Iraq war.

As a member of the Namibia Committee of the United Nations, Bangladesh has reaffirmed its support for the South African blacks in their fight against apartheid, and for Namibian independence.

It has called for disarmament by the two superpowers and for peace zones in various regions, especially the Indian Ocean.

Bangladesh has been hurt by the world economic recession and has been striving for a new economic order along with other developing countries. In 1982 and 1983, Bangladesh served as the chairman of "the Group of 77" and contributed to enhancing cooperation among the developing countries.

In 1980, Bangladesh initiated the seven-nation organization, the South Asia Regional Cooperation (SARC), which has met with positive response. Under the SARC initiative, the foreign ministers of Bhutan, Bangladesh, India, Maldives, Nepal, Pakistan and Sri Lanka have met twice. The group has decided to hold its first summit in December in Dhaka, the capital of Bangladesh. The seven nations have made much headway in the fields of economy, science, technology and agriculture.

China and Bangladesh have been enjoying good-neighborly relations and close cooperation since they established diplomatic relations in 1975. The two countries have signed eight trade protocols in the past ten years. The last of which -- signed last year -- provided for 32 million dollars worth of exports each way. The trade volume between them has increased steadily, and the friendly ties between the two countries will be strengthened through exchanges of visits at various levels.

The forthcoming visit to China by President Ershad from May 29 to June 3 will certainly make new contributions to the friendly ties between the two countries.

Ershad Visit Postponed

OW281132 Beijing XINHUA in English 1123 GMT 28 May 85

[Text] Beijing, May 28 (XINHUA) -- Bangladesh President Hussain Mohammad Ershad has postponed his visit to China, originally scheduled from May 29 to June 3, because of the recent disastrous cyclone which affected southeastern areas of the country, sources from the Chinese Foreign Ministry said here today.

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PRC INTERNATIONAL AFFAIRS
SOUTH ASIA

LI, ZHAO SEND SYMPATHY MESSAGE TO BANGLADESH

OW280948 Beijing XINHUA in English 0812 GMT 28 May 85

[Text] Beijing, May 28 (XINHUA) -- Chinese President Li Xiannian and Premier Zhao Ziyang today sent a message to Bangladesh President Hussain Mohammad Ershad expressing their deep sympathy for the victims of last weekend's cyclone in that country.

The message said: "We are distressed to learn that the south-eastern coastal area of your country was hit by a strong cyclone, causing heavy damage to the lives and property of your people. On behalf of the Chinese Government and people, we wish to express our deepest condolences to you, and through you, to your government and the cyclone victims." "We believe that the fraternal Bangladesh people, through their concerted efforts, will certainly overcome the temporary difficulties caused by this natural disaster," the message said.

INDIA'S GANDHI RETURNS HOME FROM SOVIET UNION

OW261234 Beijing XINHUA in English 1218 GMT 26 May 85

[Text] New Delhi, May 26 (XINHUA) -- Indian Prime Minister Rajiv Gandhi returned here today after his six-day state visit to the Soviet Union. This is his first official tour since he assumed office on 31 October last year. Talking to newsmen at the airport, Rajiv Gandhi described this visit as very successful.

Under one of the two agreements signed during the visit, India will get a whopping 11 billion rupees (about 911 million U.S. dollars) credit from Moscow to finance a package of oil, power and coal projects. The second agreement sets out basic guidelines for economic, trade, scientific and technical cooperation between the two countries for the remaining period of the current century.

The Indian prime minister said that the Soviet proposal for Asian collective security was figured in his talks in Moscow but nothing concrete emerged at the moment.

He pointed out that other proposals like declaring Indian Ocean a zone of peace and for a nuclear free zone in the region have been discussed. Efforts in this connection would be continued, he added.

Referring his upcoming visit to the U.S.A. in June, Rajiv Gandhi said he is going there without a message from the Soviet leaders to the U.S. India will convey its opposition to the U.S. "star war" program, he noted.

Talking to Indian correspondents accompanying him on the visit yesterday, Rajiv said that his visit to the Soviet Union has "gone off very well". He asserted that it would not lead to any misunderstanding by the Americans.

He said that the Soviets had not expressed to him any worry about India's relations with the U.S. India and the Soviet Union have reiterated their close bond of friendship and decided to develop it with regular exchange of visits at the highest level.

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PRC INTERNATIONAL AFFAIRS
SOUTH ASIA

CPC CONDOLENCE ON DEATH OF INDIAN COMMUNIST

HK240732 Beijing RENMIN RIBAO in Chinese 23 May 85 p 1

[Report: "CPC Central Committee Sends Cable of Condolence to Communist Party of India (Marxist) Expressing Profound Sorrow Over the Death of Comrade Sundarayya"]

[Text] On 22 May the CPC Central Committee sent a cable of condolence to the Central Committee of the Communist Party of India (Marxist) on the death of Comrade Sundarayya, former general secretary of the party. The text of the message is as follows:

To the Central Committee of the Communist Party of India (Marxist): Shocked to learn of the unfortunate death of Comrade Sundarayya, one of the older generation of revolutionaries in the Indian communist movement and an old friend of the Chinese people, the Chinese Communists feel profound sorrow and express to you our heartfelt condolences.

Comrade Sundarayya was an unyielding activist for the cause of Indian national liberation and social progress and a firm defender of the great friendship between the two great nations of China and India and the two peoples. His death has caused the loss for the Communist Party of India (Marxist) of an important leader and the loss of a good friend for the Chinese people. We believe that the Communist Party of India (Marxist) will turn its sorrow into strength, close its ranks, overcome its difficulties, and continue to march forward, and that the friendship between our two parties, two countries, and two peoples will constantly develop.

Please convey our most cordial regards to Comrade Sundarayya's family.

The Central Committee of the Communist Party of China, Beijing, 22 May 1985

CHEN MUHUA MEETS VISITING AUDITORS IN BEIJING

Indian Auditor-General

OW281516 Beijing XINHUA in English 1444 GMT 28 May 85

[Text] Beijing, May 28 (XINHUA) -- State Councillor Chen Muhua had a friendly conversation with Indian Auditor-General T.N. Chaturvedi here this afternoon. Arriving here on May 26, the Indian visitor held business discussions with Chinese Auditor-General Lu Peijian yesterday.

Sri Lankan, Australian Auditors

OW240806 Beijing XINHUA in English 0748 GMT 24 May 85

[Text] Beijing, May 24 (XINHUA) -- State Councillor Chen Muhua met on separate occasions with Sri Lanka Auditor Gamini Epa and Australian Auditor John Vincent Monaghan here today. Present were Chinese Auditor Lu Peijian and Deputy Auditor Cui Jianmin. The two visitors arrived here on May 21 and 22 respectively from Tokyo where they attended a conference of the Asian Organization of Supreme Audit Institutions. During the past few days they had discussions with their Chinese counterpart on exchanges and cooperation in auditing.

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PRC INTERNATIONAL AFFAIRS
WESTERN EUROPE

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SINO-BRITISH HONG KONG LIAISON GROUP TO MEET

OW290915 Beijing XINHUA in English 0901 GMT 29 May 85

["First Meeting of Sino-British Liaison Group To Take Place in London in Late July" -- XINHUA headline]

[Text] Beijing, May 29 (XINHUA) -- The first meeting of the Sino-British Joint Liaison Group will take place in London between 22nd and 25th July, according to a press announcement released by the Foreign Ministry here this afternoon.

Full text of the press announcement follows: In accordance with the relevant provisions of the Sino-British joint declaration on the question of Hong Kong, the Sino-British Joint Liaison Group was established on 27th May 1985 when the joint declaration came into force. The Chinese and British Governments have agreed that the first meeting of the Sino-British Joint Liaison Group will take place in London between 22nd and 25th July.

UK OFFICIAL SOURCES HAIL ZHAO ZIYANG VISIT

OW290244 Beijing XINHUA in English 0232 GMT 29 May 85

[Text] London, May 28 (XINHUA) -- The forthcoming visit by Chinese Premier Zhao Zhiyang to the United Kingdom will be "a visit of great importance" and "marks a new stage in the relationship between the two countries," British official sources told the press here today.

Premier Zhao is scheduled to pay a week-long visit to Britain beginning June 2. The first visit to the country by a Chinese premier since 1979 comes after the signing of the Sino-British agreement on the future of Hong Kong. According to the agreement, China is to resume exercises of sovereignty over Hong Kong with effect from July 1, 1997.

The agreement, the sources said, marks a new era in the relationship between Britain and China and both countries are now seeking to "put some more substance into the era."

"We put a lot of emphasis on this visit on the economic-trade side and particular sectors where we think British performs well," said the sources. The sources pointed out that it will be the third occasion in four years for Prime Minister Margaret Thatcher to have personal contacts with top Chinese leaders. She has visited China twice, first in 1982 and more recently in late 1984.

Premier Zhao's visit would provide an opportunity for him not only to see what happens in Britain, but to talk at the very highest level about world affairs, such as East-West relations and arms control, and about other matters of common interest, said the sources.

ZHANG TINGFA LEAVES FOR FRANCE, BRITAIN

OW281732 Beijing XINHUA in English 1544 GMT 28 May 85

[Text] Beijing, May 28 (XINHUA) -- Zhang Tingfa, commander of the Air Force of the Chinese People's Liberation Army, left here for a visit to France and Britain by air this evening. He is the guest of Emile Blanc, general delegate for armament of France, and Air Chief Marshal Sir Keith Williamson, chief of Air Staff of Britain.

Zhang and his party were seen off at the airport by Han Huaizhi, deputy chief of the PLA General Staff; Gao Houliang, political commissar of the PLA Air Force; and Col. Pierre Fischer, military attache of the French Embassy here.

TIAN JIYUN MEETS FRG NUCLEAR POWER MISSION

OW251444 Beijing XINHUA in English 1300 GMT 25 May 85

[Text] Beijing, May 25 (XINHUA) -- Vice-Premier Tian Jiyun met with a high level nuclear power mission from the Federal Republic of Germany led by KWU Executive Vice-President Hans Frewer here this afternoon. Arriving in Beijing May 20, the mission had their third round of negotiations with Chinese officials on technical cooperation in nuclear power, and new progress was made in the talks. The previous two rounds of talks were held in December last year and March this year.

ITALY'S ANDREOTTI NOTES PRC'S STABILIZING ROLE

OW240834 Beijing XINHUA in English 0703 GMT 24 May 85

[Text] Rome, May 23 (XINHUA) -- Italian Foreign Minister Giulio Andreotti told the European Parliament Political Commission here today that the European countries should consider the importance of conventional weapons.

In his speech to the three-day commission meeting as chairman of the EEC Council of Ministers, Andreotti said that the European countries must begin to consider the fact that if an agreement is reached at the U.S.-Soviet Geneva arms control talks, there will be a reduction in the role of offensive nuclear arms and the balance of conventional forces in Europe will take on new significance.

The Italian foreign minister also said that Gromyko and Shultz will meet again on August 1 in Helsinki. That will be "the most proper meeting to make preparations for a Reagan-Gorbachev summit, he noted."

Turning to the French proposed "Eureka" for West European pooled research in high technology, Andreotti said that this came as a response to the worries of the EEC 10 about the broadening of the technological gap between Europe and the United States. He said the Italian Government views the French proposal with great favor because it revives the prospect of extending the community process to the most advanced sectors of industrial development.

On relations between the EEC and China, one of the issues on the meeting's agenda, the minister recalled the new economic and trade cooperation agreement signed two days ago in Brussels by himself and Chinese Foreign Trade Minister Zheng Tuobin.

China today represents, Andreotti said, "a fundamental factor of stability in the global balance and can provide a precious contribution of wisdom and moderation to favor a new detente process in the world."

The three-day commission meeting, which also discusses EEC relations with East European countries, will end tomorrow.

XU XIN HOSTS DINNER FOR AUSTRIAN OFFICERS

OW251811 Beijing XINHUA in English 1542 GMT 28 May 85

[Text] Beijing, May 28 (XINHUA) -- Xu Xin, deputy chief of General Staff of the Chinese People's Liberation Army, hosted a dinner here this evening for an Austrian military delegation led by Peter Corrieri, chief of the defense minister's office. Both Xu and Corrieri expressed willingness to make efforts in promoting friendship and cooperation between peoples of the two countries. The Austrian delegation, which arrived here yesterday, will also visit Nanjing, Shanghai and Guangzhou besides Beijing.

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PRC INTERNATIONAL AFFAIRS
WESTERN EUROPE

PRC ATTENDS ECONOMIC CONFERENCE IN MALTA

OW261718 Beijing XINHUA in English 1439 GMT 26 May 85

[Text] Valletta, May 25 (XINHUA) -- The first international conference on the economic development of small countries was recently held here.

Fifty six scholars from 17 Asian, African, European and American countries attended the three-day conference mainly designed to identify and analyze obstacles relating to the economic development of small countries, to discuss policy implications associated with such obstacles and to develop models for industrialization and trade between small developing countries.

The conference was initiated and organized by the University of Malta and supported by the Maltese Government.

Speaking at the conference, Professor E. Scicluna, member of the steering committee and director of the Department of Management Studies of the University of Malta, said that currently, very little could be found on small economies in international literature. Small developing countries had many common characteristics and problems. They were hit most severely in this recession, he said.

He said the small developing countries experienced little real growth even when the international capitalist economies began to recover.

The participants all agreed that a steering committee should be formed to study the possibility of setting up an international organization of small countries and to prepare the second conference to be held in Cyprus in May 1986.

At the conference, Chinese scholar Zhang Chuanwen presented a paper entitled "Some Strategic Problems on the Economic Development of Small Countries."

Chinese ambassador to Malta was invited to attend the opening session of the conference.

LI PENG, DELEGATION CONTINUE EAST EUROPE TOUR

Qian Qichen Meets Olszowski

OW280152 Beijing XINHUA in English 0134 GMT 28 May 85

[Text] Warsaw, May 27 (XINHUA) -- Polish Foreign Minister Stefan Olszowski met here this morning with Chinese Vice Foreign Minister Qian Qichen, and exchanged with him views on further development of bilateral relations and on international issues.

Earlier, Qian who was accompanying Chinese Vice Premier Li Peng on a visit here, had held talks with his Polish counterpart Jan Majewski. Both sides expressed satisfaction with the meeting and the talks which proceeded in an atmosphere of friendship and understanding.

Polish Spokesman on Li Visit

OW290742 Beijing XINHUA in English 0653 GMT 29 May 85

[Text] Warsaw, May 28 (XINHUA) -- Polish Government Spokesman Jerzy Urban said Poland expects a major increase in its trade with China as a result of the long-term trade agreement signed during Chinese Vice-Premier Li Peng's official visit which ended here yesterday.

Urban told a press conference here today that the two countries had also begun talks on co-production which is a form of high-level economic cooperation and in keeping with both countries' interests.

He noted that after a period of breakdown in relations between the Eastern European countries and China, "The relations are being rebuilt, mainly on economic foundations."

The two countries, he said, also shared views on the relationship between building socialism and peace "which is a precondition of socialist building."

A Polish news agency PAP commentator said tonight that the results of Li Peng's visit clearly showed a very optimistic prospect for the development of mutual relations. The commentary stressed that people's China was a very attractive great partner to Poland.

Li Peng Arrives in Budapest

OW280142 Beijing XINHUA in English 0133 GMT 28 May 85

[Text] Budapest, May 27 (XINHUA) -- Chinese Vice Premier Li Peng arrived here today for an official visit at the invitation of the Hungarian Government. This is the first visit to this country by a Chinese vice premier in 20 years.

Hungary is the last leg of Li's current tour of three East European nations. Vice Chairman of the Hungarian Council of Ministers Jozsef Marjai and some other Hungarian Government leaders met Li and his entourage at the airport.

Li Peng Meets Marjai

OW281631 Beijing XINHUA in English 1617 GMT 28 May 85

["Broad Prospects for Chinese-Hungarian Economic Cooperation" -- XINHUA headline]

[Text] Budapest, May 28 (XINHUA) -- China and Hungary will have more economic co-operation, stressed Chinese Vice Premier Li Peng and his Hungarian counterpart Jozsef Marjai here today.

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The two countries will sign a long-term trade agreement for 1986-1990, which, they noted, will lay the foundation for closer bilateral economic, trade and technological cooperation between the two countries.

Li, who arrived here yesterday, exchanged views with Jozsef Marjai this morning on the situation of their domestic economies and the bilateral relations, particularly economic and trade ties. Jozsef Marjai said that Hungary will make greater efforts to promote the economic and trade cooperation with China.

Budapest Banquet Honors Li

OW290314 Beijing XINHUA in English 0237 GMT 29 May 85

[Text] Budapest, May 28 (XINHUA) -- Hungarian Vice Chairman of the Council of Ministers Jozsef Marjai said here tonight that the exchange of visits of vice premiers between Hungary and China in less than a year represented fresh progress in their bilateral relations.

At a banquet in honor of visiting Chinese Vice Premier Li Peng, who arrived here yesterday for an official visit, Marjai said the Hungarian people follow with interest the efforts for the restructuring of the economic system in China since the Third Plenary Session of the Eleventh Central Committee of the Chinese Communist Party in 1978. He hoped that the existing economic ties between the two countries would be further developed.

In his toast, Li Peng said that the Chinese people have been following with great interest all the Hungarian people are doing in their socialist construction. He pointed out that there are different local conditions in various countries, so each country should formulate its own domestic and foreign policies in the light of its own conditions in national development.

Accompanied by Marjai, Li Peng and his party this afternoon visited a computer factory affiliated to the Videoton Company, and the Ikarus bus plant.

JI PENGFEI RECEIVES VISITING HUNGARIANS

OW251204 Beijing XINHUA in English 1140 GMT 25 May 85

[Text] Beijing, May 25 (XINHUA) -- Chinese State Councillor Ji Pengfei met a delegation from the Hungarian Institute of International Cultural Relations led by President Gyorgy Nador here this afternoon. Ji gave the visitors an account of China's economic reforms.

Present were Liang Geng, vice-president of the Chinese People's Association for Friendship With Foreign Countries, and Hungarian Ambassador to China Ivan Laszlo.

The delegation arrived here on May 21 at the invitation of the host association. Wang Bingnan, president of the host association, met the guests and vice-president Chu Tunan gave a banquet for them.

GUINEA-BISSAU PARTY DELEGATION VISITS PRC

Hu Yaobang Briefs Group

OW261518 Beijing XINHUA in English 1452 GMT 26 May 85

[Text] Beijing, May 26 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang today briefed a Guinean and Cape Verde party delegation on China's basic experience in socialist construction.

The delegation from the African Party for Independence in Guinea and Cape Verde was led by Vasco Cabral, member of the Political Bureau and Secretariat of the party's Central Committee.

Hu told the guests that boosting the economy after the liberation of a country was a decisive factor for consolidating independence and achieving national prosperity. "We have traversed a tortuous path in this regard," he added.

He pointed out that the steady growth of China's economy over the past few years was due to:

-- Making cadres and party members understand it is our paramount task to rapidly expand the economy. Other affairs will be handled easily, once the economy is developed. All our work must, therefore, focus on making the country prosperous and powerful and improving the people's living standards. China will never become prosperous and strong without the prosperity of the people.

-- Formulating policies in keeping with China's actual conditions. Our previous tortuous path was a result of "left" mistakes. We should not exercise over-rigid control in building socialism, as was the case in the past, but instead must invigorate the economy. In so doing it is imperative to work out effective measures to prevent undesirable results. The most important measures are to uphold the socialist public ownership on the one hand, and arouse the initiative of all sectors on the other.

-- Properly handling foreign relations. Each nation has its own advantages and disadvantages. It is, therefore, imperative to be good at cooperating and exchanging with other nations. We have formulated the policy of opening to the outside world, under which foreign friends and entrepreneurs are welcome to step up economic cooperation and trade with China in diverse forms.

The two leaders also exchanged views on further expanding friendly and cooperative ties between the two parties and between China and Guinea-Bissau. Present on the occasion was Qian Liren, head of the International Liaison Department of the Chinese Communist Party Central Committee.

Ni Zhifu Receives Delegation

OW271500 Beijing XINHUA in English 1431 GMT 27 May 85

[Text] Tianjin, May 27 (XINHUA) -- Ni Zhifu, member of the Political Bureau of the Chinese Communist Party Central Committee, today met with a Guinean and Cape Verde party delegation. The delegation from the African Party for Independence in Guinea and Cape Verde was led by Vasco Cabral, member of the Political Bureau and Secretariat of the party's Central Committee.

Ni Zhifu, also secretary of the Tianjin municipal party committee, exchanged views with Vasco Cabral on economic cooperation. The meeting was followed by a luncheon hosted by Ni. The delegation arrived here this morning.

FURTHER ON COLOMBIAN FOREIGN MINISTER'S VISIT

Wu Xueqian Hosts Banquet

OW241900 Beijing XINHUA in English 1845 GMT 24 May 85

["China Supports Peaceful Settlement of Central American Issues" -- XINHUA headline]

[Text] Beijing, May 24 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian said here tonight China always maintained that internal affairs of every Central American country should be settled by its own people without any external interference. He said this at a banquet he gave for the visiting Colombian minister of foreign relations, Augusto Ramirez Ocampo.

Wu said recent developments in Central America had aroused wide-spread worry and concern of the international community. Disputes between Central American countries and between the United States and Nicaragua, he said, should be settled through peaceful negotiations on an equal footing in accordance with the basic norms governing international relations, and not by using force or threat of force, or by imposing an embargo as a means of pressure.

Wu noted that China sincerely supported the Contadora Group in its peace mediation. China also hoped that various sides concerned should, both in words and deeds, respond to the Contadora Group's peace efforts, so as to realize the Central American peoples' ardent desire for peace, democracy and development, he added.

The Chinese foreign minister said China was willing to join its efforts with Colombia to explore new ways of cooperation and push the two countries' friendship and cooperation to a new height in the next five years.

In reply, Ramirez said the common desire for peace and the common observance of the Five Principles of Peaceful Coexistence had linked Colombia and China together. He said Colombia hoped for effective disarmament, including nuclear and conventional disarmament. He said Colombia stood for the Tlatelolco treaty for non-nuclear Latin America, and suggested a non-nuclear outer space.

Ramirez Holds Press Conference

OW251654 Beijing XINHUA in English 1629 GMT 25 May 85

[Text] Beijing, May 25 (XINHUA) -- So far as Latin America is concerned, China "is a pivot of world peace," said the visiting Colombian minister of foreign relations, Augusto Ramirez Ocampo, at a press conference he gave here today.

Ramirez said China's exchanges with Latin America in political, economic and cultural fields are growing steadily. Likewise, he said, Latin America is also interested in expanding friendly exchanges with China. He described China's policy of opening to the outside world as "clear-cut."

As a member country of the South Pacific regional organization, he said, Colombia is willing to join China in taking an active part in developing the Pacific region. He pointed out that Colombia and China share many identical views while pursuing the Five Principles of Peaceful Coexistence. He also said he hoped his current visit would diversify bilateral trade and help to increase it.

In the evening, Ramirez gave a return banquet. Among those present was Chinese State Councillor and Foreign Minister Wu Xueqian.

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The Colombian visitors will leave here tomorrow to tour Hangzhou, Shanghai and Guangzhou.

ZHU XUEFAN MEETS VENEZUELA COURT DELEGATION

OW270900 Beijing XINHUA in English 0843 GMT 27 May 85

[Text] Beijing, May 27 (XINHUA) -- China is stepping up its economic legislation governing Chinese-foreign economic activities to provide legal protection for foreign investment in China.

This was stated by Zhu Xuefan, vice-chairman of the National People's Congress (NPC) Standing Committee, at a meeting with Jose Nunez Aristimuno, chief justice of the Supreme Court of Venezuela, in the Great Hall of the People today.

Zhu said the country's legislation would protect the profits of foreign investors in China in line with the principle of equality and mutual benefit.

It was the need for social and economic development that called for the strengthening of legislation, he said. Without legal protection social and economic development would be impossible, he added.

While enhancing the economic and trade relations with foreign countries, China would also seek judicial exchanges with the rest of the world, which, in return, would accelerate the development of economic and trade activities, and would be conducive to closer friendship between peoples, Zhu said.

Nunez Aristimuno said that China's measures and ways to strengthen legislative and judicial work over the past few years had proven effective in promoting the country's economic development and helping maintain social stability.

Chinese policies, including the policy of opening to the outside world, had enabled the country to become stronger and the people wealthier, he said, adding that a powerful China would play an important role in maintaining the stability of the world as a whole and in keeping the balance of power in the world.

Zhu asked Nunez Aristimuno to convey the regards of Peng Zhen, chairman of the NPC Standing Committee, to the president and speaker of the parliament of Venezuela. Ren Jianxin, vice-president of the Chinese Supreme People's Court was present at the meeting.

NPC DELEGATION LEAVES FOR VENEZUELA, ARGENTINA

OW271104 Beijing XINHUA in English 1044 GMT 27 May 85

[Excerpts] Beijing, May 27 (XINHUA) -- A delegation from the National People's Congress, led by Standing Committee Vice-Chairman Huang Hua, left here by air this afternoon for a friendship visit to Venezuela and Argentina. They will be guests of the Venezuelan National Congress and Argentina's Senate and Chamber of Deputies.

Seeing the delegation off at the airport were Yan Jici and Yan Mingfu, vice-chairman and deputy secretary general, respectively, of the NPC Standing Committee, and Zhu Qizhen, vice-minister of foreign affairs. Also present were Argentine Ambassador to China Hector A. Subiza and charge d'affaires ad interim of the Venezuelan Embassy here, Abraham Clavero Toro.

The deputy leader of the delegation is Yang Ligong, member of the NPC Standing Committee. The other members of the delegation are Deng Jiatai, member of the NPC Standing Committee, and Song Lin, deputy to the NPC and chairman of the Qinghai Provincial People's Congress Standing Committee. Wang Houde, deputy secretary general of the NPC Standing Committee, is the secretary general of the delegation.

TAX BUREAU DIRECTOR EXPLAINS TAXES ON FOREIGNERS

OW282221 Beijing in English to North America 0000 GMT 27 May 85

[Text] The Chinese Finance Ministry recently issued interim provisions for collecting taxes from permanent offices representing foreign companies in China. Radio Beijing spoke with Jin Xin, director of the ministry's General Tax Bureau, to get the details. Here is (Tong):

Director Jin Xin says: The reason China wants to collect taxes on the Chinese offices of foreign firms is straightforward. Most are engaged in activities such as conducting market service, acting as go-between, and providing business information, consulting, and other services on behalf of their home offices. These activities earn them commissions, rebates, and fees that should be taxed in accordance with China's industrial and commercial consolidated tax act and the income tax law governing foreign enterprises.

Jin Xin says: Some permanent representative offices also conduct business liaison and provided trade information or consulting services to thier clients. Their home offices collect fees from these services from the clients outside China. This income stems from business within Chinese territory, and international practice dictates it should be taxed by the Chinese Government.

Jin Xin says: Part of a foreign company's income, like what has been mentioned, will be taxed and the rest will be exempted. The Chinese Government intends to impose only a light tax burden and give preferential treatment to permanent foreign representative offices while safeguarding the rights and interests of China.

Jin Xin explains: Preferential treatment will go to permanent representative offices entrusted by enterprises within China [words indistinct] mainly outside the country. These will be exempted from paying taxes and commissions, rebates, and fees.

Jin Xin also says: Where income does fall into the categories specified in the industrial and commercial consolidated tax act, taxes will be levied at a reduced rate of 5 percent. Offices in special economic zones will also enjoy preferential treatment. Their income taxes will be levied at a reduced rate of 15 percent. Industrial and commercial taxes will be imposed on all permanent foreign representative offices in China as of 1 June. Business income tax will be calculated for 1985.

Expert Explains Tax

OW281246 Beijing XINHUA in English 1218 GMT 28 May 85

[Text] Beijing, May 28 (XINHUA) -- Foreign investors need not worry that they will be subject to multiple tax by governments at various levels in China because the taxation laws have been unified, a senior taxation official said today.

Liu Zhicheng, adviser to the General Taxation Bureau of the Ministry of Finance, said that China should do more to publicize to the outside world the preferential terms it provides foreign investors concerning taxation. He made these remarks before leaving for the United States for a seminar on China's taxation and accounting. The seminar is sponsored by Price Waterhouse, one of the world's eight leading accounting companies.

More preferential terms on taxation are being provided to foreign investors, he said. These include exemption of enterprise income tax for Sino-foreign joint ventures in the first and second profit-making years, and a 50 percent reduction from the third to the fifth years.

While the rate of income tax for joint ventures and enterprises with sole foreign capital is 33 percent, these enterprises in the four special economic zones and in the industrial development zones in the 14 open coastal cities enjoy a lower rate of 15 percent, the taxation expert said. One of the purposes of his five-member delegation in attending the seminar is to explain these terms, which are not yet known to all foreign investors, Liu said. Chinese accounting experts will also explain the role of accounting in Sino-foreign joint ventures during the seminar.

RENMIN RIBAO DISCUSSES PROBLEM OF TABLOIDS

HK290315 Beijing RENMIN RIBAO in Chinese 26 May 85 p 1

["Weekly Forum" article by Li Pu: "It Is Dangerous To 'Play Ball on the Sidelines'"]

[Text] The distribution of tabloids on the streets raises a series of problems, such as popularization or vulgarization, whether they do harm or not, whether to allow them or ban them, and so on. These problems need serious study, accurate analysis, and proper solution. According to an investigation by departments concerned, of some 300 tabloids, one-third are run relatively well, and the majority are not run well; some are seriously questionable. Although the question of not allowing preposterous and harmful tabloids to be distributed at random on the streets has already attracted the attention of society, it has not yet been properly solved in quite a number of places.

It is not at all difficult to distinguish good tabloids from bad. Harmful tabloids usually try to catch readers by low-level contents such as sex, murder, and mystery and lure them with sensational headlines and disgusting illustrations. Quite a few place themselves somewhere between the "harmful" and "harmless" categories, by engaging in so-called "playing ball on the sidelines," finding it sufficient to be able to make money without being bad enough to violate the law. These tabloids which cater specially to the low tastes of certain readers poison their readers, especially youths and juveniles, and do very great harm to them.

This poses a serious question: Have the editors, writers, publishers, and distributors of unhealthy tabloids thought of their social responsibility? It seems that they have not.

At the moment we are engaged in building the two civilizations, by grasping material and spiritual production. There is a question of how to guide the production of these two kinds of products. In economics, we provide guidance by carrying out reform. Spiritually, we provide guidance by advocating embracing lofty ideals and stimulating people to go all-out and score achievements in making the country rich and strong and the people prosperous. Comrades engaged in spiritual production should not dishonor their mission; they should produce lofty, outstanding, and healthy products that guide people to victory. Those people who write or compose fantastic works for unhealthy tabloids have a certain level of education, and some may be party or CYL members. But why should they engage in such uncivilized business? Why should they serve those tabloids which disseminate decadent bourgeois ideology and feudal poison? The real reason is that they want to make money. According to reports, unhealthy tabloids are run by certain units with the aim of raising cash for erecting a building; and they have declared that as soon as the building is completed, the tabloids will be closed down. How can there be any lofty newspaper style and responsibility to society if tabloids are run for such a purpose!

The publication and distribution of certain unhealthy tabloids has actually been registered and approved by the departments concerned. An even more serious problem is that when it has been discovered that the contents of tabloids are gravely questionable and readers have raised severe criticisms, no action is taken to actively solve the problems, but instead a laissez-faire approach is adopted, with the result that the number of tabloids is increasing instead of dropping in certain places. Is it not entirely right and reasonable that readers should demand that the departments concerned be held accountable, to facilitate an early solution of the problem?

INCREASE IN UNNECESSARY ORGANIZATIONS CRITICIZED

OW290447 Beijing XINHUA Domestic Service in Chinese 0755 GMT 26 May 85

[Reporter's letter by XINHUA reporter Sun Hongxiang: "Rural Areas' 'Temporary' Organizations Urgently Need To Be Simplified"]

[Text] Shanghai, 26 May (XINHUA) -- Currently, "temporary" organizations built like the walls and structures of a house are found everywhere in some places. They not only create waste in financial and material resources but also exhaust the township (town) cadres with extra work.

According to investigations, in addition to some functional departments under the regular organizational system of party and government organizations at the township (town) level, there are as many as 34 additional leading groups, commissions, and offices of various kinds on the outskirts of Shanghai Municipality. They were established either by document or by arrangement of their superior units. Some rural cadres said that generally there are fewer than 30 regular staff members and workers in the township-level organizations now; and that, if such a situation continues, the problem cannot be solved even if each person takes a concurrent post. However, such a phenomenon has not attracted adequate attention from the departments concerned; therefore, "temporary" organizations continue to increase.

Certainly, these "temporary" organizations should be treated on the basis of seeking truth from facts; they should be analyzed case by case instead of being negated as a group. For example, in a situation where an existing functional department truly cannot perform a certain task, it is permissible to temporarily establish an organization to fulfill that task, provided that such an organization is abrogated when the task is fulfilled. The problem now is that, whether it is necessary or not, some leading departments issue documents and circulars allowing their subordinates to establish an organization immediately after they have received an assignment. The result is that whatever their superior units have, the townships (towns) must have also. Take the Shanghai suburbs, for instance. There are leading groups for industrial survey, transport preparedness, conscription, greening work, methane gas, moving and transfer, total output value statistics, resident's identification card issuance, and rectification of new unhealthy tendencies. There are committees for the five stresses, four beauties, and three loves and for patriotic health. They have a physical culture and sports commission, an old people's association, an enterprise consolidation office, and others. When some of these organizations were established some people asked whether they would be later abrogated, and they concluded that these "temporary households" would become regular organizations if not abrogated.

Perhaps, it was to stress the importance of the separate, independent management of work that some departments even asked leading cadres of the respective townships (towns) to assume command of the temporary organizations established by their subordinates upon their recommendation. Therefore, it is not uncommon for a leading cadre of a township (town) to take up several, or even more than 10, posts concurrently.

Such a situation has created many problems for units at the grass-roots level. First, numerous organizations were always accompanied by "documents and meetings." A secretary of a township party committee on the outskirts of Shanghai reported that he simply could not handle so many meetings and that sometimes when he received notifications to attend several meetings scheduled for the same time, he did not know which to attend! When there are numerous meetings, the study and policy decision of rural economic development are affected because work cannot be performed in a deep-going way. Second, numerous organizations force the grass-roots units to borrow personnel from other units and to continually add more office equipment, supplies, and office space. Therefore, expenses for personnel transfer, office operations, and individual official duties continue to increase, imposing heavier financial burdens on the townships (towns).

Is it necessary to establish numerous "temporary" organizations at the grass-roots level in the rural areas? On this question, the reporter heard some opinions of rural cadres and peasants. Some of them said: If a conscientious analysis of these temporary organizations is made, it will not be difficult to discover that the official duties of many of these organizations should have originally been assumed by the party and government departments, or have been assigned by these departments to their functional departments concerned for handling. At the same time, it will not be difficult to discover that many of these "temporary" organizations bear names of similar categories and have similar natures and functions, such as the leading groups for driving safety, production safety, power-consumption safety, and fire-prevention safety, and the joint security defense team and so on. All these affairs can be placed under the unified management of one organization instead of being handled independently by several new departments. Therefore, some people maintained: In order to eliminate such phenomena as overlapping organizations, overstaffing, unclear duties, and shifting of responsibilities, it is imperative to bring into full play the functions of the various original departments and simplify the "temporary" organizations. Except for a small number of such organizations which must be retained, those departments whose duties originally should have been managed by the party and government departments should be placed under the administration of the functional departments; those "temporary" organizations whose tasks have been fulfilled, or basically fulfilled, should be abrogated; and those "temporary" organizations whose tasks are closely related, or similar, should be merged.

OFFICIAL INTERVIEWED ON AGRICULTURAL TAX

OW271408 Beijing XINHUA Domestic Service in Chinese 0733 GMT 24 May 85

[Text] Beijing, 24 May (XINHUA) -- Approved by the State Council, China's agricultural tax will, as of this year, no longer be paid mainly in grain. Instead, it will be paid in cash in the "reverse ratio of three to seven" in accordance with grain output. Recently, this reporter had an interview with the responsible person of the Finance Ministry's Agricultural Finance Department on this question. He answered the questions raised by this reporter.

Question: Why is it necessary to change agricultural tax paid in grain for agricultural tax paid in money?

Answer: Changing agricultural tax paid in grain for agricultural tax paid in money is an important reform in China's agricultural taxation system. Over a long period of time, China's agricultural tax has been paid mainly in grain. Peasants have habitually called it "public grain." Since the founding of the republic, the state has imposed grain levies through agricultural tax and implemented the policy of a state monopoly for the purchase of grain.

As a result, the state has acquired the necessary amount of grain. This has played an important role in ensuring supplies and supporting socialist construction. However, this form of tax paid in kind, mainly in grain, suits the needs of the self-supporting and semi-self-supporting economy in rural areas. Along with the development of a commodity economy, its limitations have become increasingly clear. To promote the development of specialized commodity production in rural areas and readjust the inner structure of agriculture, we urgently need to change it. The change will help the household economy organize production in accordance with market demand. By doing so, peasants will find it more convenient to pay tax money.

Question: What do you mean by "converting grain into money"? Why is it necessary to adopt this method?

Answer: Changing tax paid in kind for tax paid in money is the trend of agricultural tax reform. The present choice of levying agricultural tax paid in money means to convert the amount of grain levies which should be imposed into an amount of money and levy it as agricultural tax. This is a form of transition from tax paid in kind to tax paid in money in the full sense. Since the development of the rural commodity economy in all localities is not even at present, we have set a stipulation in this reform to take care of this in particular. And that is: Agricultural tax may still be paid in kind in a few areas where conditions are too backward. We do not "demand uniformity in everything." The advantages of adopting the method of paying agricultural tax in money are: First, the method is simple, handy and easy to apply, because under the principle stipulated by the current tax law, it will not change the basis on which the present agricultural tax is calculated. It also solves the contradiction that tax in kind does not suit the needs of rural commodity production development. Second, since the state readjusted the prices of farm products, certain price parities between various farm products and grain have been kept. As agricultural tax is converted into money from the unified price of staple food grain, peasants planting different crops in different areas shoulder a reasonable financial burden.

Question: Why is it necessary to pay agricultural tax in money in the ratio of three to seven?

Answer: The state has cancelled the policy of state monopoly for the purchase of grain. Instead, it purchases grain by signed contracts. In purchasing grain, the state has also stopped using the method of increasing the price of grain which is added to the base, and started to use the method of setting the price in the "reverse ratio of 3 to 7" (which means 30 percent of the grain will be purchased at the former price set for state monopoly for purchase of grain, and that 70 percent of the grain will be purchased at the former price set for grain output which is above the production quota). Therefore, in paying agricultural tax, peasants should also use the unified method of converting grain into money in the "reverse ratio of three to seven." When it purchases the grain formerly turned in by the peasants as agricultural tax, the state now makes payments based on the prices calculated in the "reverse ratio of three to seven." Therefore, in paying agricultural tax to the state, the peasants should also convert it into cash based on the same prices. This is reasonable to the state as well as the peasants, and will not increase the peasants' actual burden. Since cash crops usually bring in higher incomes, the agricultural tax burden of the areas producing cash crops are generally lighter than the grain-producing areas. Therefore, the areas producing cash crops should also pay agricultural tax just as the grain-producing areas do by following a unified method in converting the crops into prices based on the "reverse ratio of three to seven." This is also reasonable in terms of policy toward the peasants' burden.

Question: After the new method of collecting agricultural tax is adopted, what improvements should be made in taxation?

Answer: After converting agricultural tax into cash payments, the method of collection should be changed accordingly. Obviously it is no longer suitable to have resident grain depots (stations) collect agricultural tax, or to entrust grain depots (stations) with the collection work. In the future, grass-roots organizations of political power at township and village levels should play a greater role. While making efforts to establish and perfect the township-level finance, township governments should gradually undertake to collect agricultural tax. Where possible, financial departments should directly undertake collection work. In other words, in areas where contracts have been signed with peasant households for the purchase of grain, cotton, edible oil, and other farm products, financial departments or township governments should assign personnel to the purchasing units to collect taxes, or they may entrust the purchasing units with the collection work.

The collection of agricultural tax concerns hundreds of millions of peasants. It is highly policy-oriented and requires a huge amount of work. The task is arduous. In the past this was accomplished under the unified leadership of party committees and governments at all levels, and by relying on the efforts of cadres at all levels, as well as the close cooperation of the units concerned. After converting agricultural tax into cash payments, we hope that party committees and governments at all levels will continue to strengthen leadership over collection work, and do a good job of publicizing and explaining this work, so that the peasants will enthusiastically perform their obligation as taxpayers. Meanwhile, all departments concerned should continue to cooperate with one another, promptly study the new situation, solve new problems, do a good job of collecting the agricultural tax, and guarantee the fulfillment of the state tax-collecting task.

PUBLIC SECURITY SUBBUREAU PRAISED FOR HONESTY

OW271212 Beijing XINHUA Domestic Service in Chinese 0911 GMT 26 May 85

[Text] Beijing, 26 May (XINHUA) -- Note from the Office of the Central Commission for Guiding Party Rectification [CCGPR]: Leading cadres and policemen of the Xicheng Public Security Subbureau [PSS] of Beijing Municipality are praiseworthy for resisting the new unhealthy practices, and persisting in an honest and upright work style. Facts about this PSS once again show that the general mood of a unit is directly related to the thoughts and work style of its leading body and cadres. As long as its leading body and cadres uphold the party spirit, and do their work in real earnest, instead of making empty talk and playing tricks, the general mood there will soon improve. And it is possible to establish a contingent which is ideologically sound, and good in work style. We hope that in the actual process of party rectification, more leading bodies and cadres will take the lead in this respect, and further improve the party's work style and social practice. (end note)

Leading party and administrative cadres of the Xicheng PSS of Beijing Municipality have persisted in doing things impartially according to the principle of party spirit. Because the leadership displays an upright work style, its instructions are heeded, and its orders are implemented in the course of resisting and correcting the unhealthy practice. Party members, cadres, and policemen of the entire subbureau do not accept invitations or gifts. They are highly disciplined and upright in their actions. The masses have praised them as the "people's defenders and servants."

The Xicheng PSS has more than 1,400 policemen and workers, more than 730 of whom are party members. Now and then some units or individuals would present this PSS with money or gifts so as to solicit favors. When this sort of thing happened, party members and policemen of the subbureau would tell the visitors without hesitation: "Our leaders have instructed us that no cadres and policemen are allowed to accept invitations or gifts. We cannot violate discipline." Since the second half of 1984, they have declined invitations to dinner, and refused to accept gifts on more than 640 occasions. This has helped cultivate an honest and upright mood in this PSS.

In recent years, none of the leading party and administrative cadres of the Xicheng PSS has used power to achieve selfish purposes. One day, a deputy bureau director in charge of a case received a telephone call from an old friend who tried to intercede for a detainee. But the deputy bureau director immediately replied: "I certainly will help if I can, but this case has to be handled according to law." Several days later, two other friends again tried to intercede for the detainee, and they even hinted that they would host a dinner party; but the deputy bureau director rejected the offer. When cadres act in an upright manner, they dare to deal with unhealthy practices. During the second half of last year, when the new malpractices of indiscriminately paying bonuses and giving dinner parties with public funds prevailed in society, the bureau's party group and administrative leaders were wary of the impact of these malpractices on its cadres and policemen. So they promptly assigned cadres to conduct investigations in all its subordinate sections and police stations. A few cadres and policemen were found to have a vague understanding of the new unhealthy practices. Some of them even openly said: "Now is the time to stress practical benefits. The bureau leadership is too conservative in its thoughts." The leading cadres of the Xicheng PSS firmly believe that to create a new situation in public security work, the leaders should emancipate their minds, and should make big strides in their work. But the principle of party spirit and discipline should never have been relaxed. A slight relaxation on the part of the leader will cause considerable relaxation on the part of the masses. The bureau party group secretary has realistically and frankly told all party members, cadres, and policemen that each and every one of the subbureau leaders has been offered treats and gifts. Some were offered gifts a few times, some a dozen times, but all these offers were rejected. He said party members, cadres, and policemen are welcome to exercise supervision and render help regarding work style. He explicitly noted that if any of the subbureau leaders are found to have engaged in malpractices, anyone can expose him in whatever manner. No reprisals will be made. Meanwhile, in November 1984 the bureau leadership stipulated the "four prohibitions" for the entire bureau: 1) It is prohibited to run businesses; 2) it is prohibited to act as a broker or to receive a commission; 3) it is prohibited to act as "body guards" for individuals, enterprises, or establishments, or accept remuneration accordingly; 4) it is prohibited to accept invitations or gifts under any pretext. It was also stipulated that leading cadres should take the lead in observing these four prohibitions.

The bureau leadership's concrete actions in resolutely refraining from unhealthy practices, as well as their clearcut attitude toward the new malpractices have exerted a tremendous impact on the entire bureau. Party members, cadres, and policemen have said: You must be tough yourself before you can forge iron. Leading cadres who are tough in their work style will dare to talk tough, and set tough measures to correct the malpractices. They will be able to bring up a contingent with a tough work style. They look upon the "four prohibitions" as an iron discipline to be consciously and resolutely observed. Wang Zhenggao, a people's policeman of the Yuetan police station, has diligently, patiently, and meticulously handled applications for household registration over the years, and has won the praise of the masses.

One day, a man whose household registration had been approved presented Wang Zhenggao with two bags of shrimp, and 100 yuan to express his gratitude. Wang Zhenggao immediately refused, saying: "Your application for household registration was approved according to the party's policy. You should thank the party and the government instead."

The Xicheng PSS has strictly meted out penalties and rewards, regarding it as an important measure to foster upright practices and counter evil practices. By awarding citations, presenting rewards, and issuing commendations, it has commended advanced units and individuals who have observed discipline and law. Meanwhile, it has resolutely and seriously investigated and punished people who have engaged in malpractices. A member of the people's police has been expelled from public office for divulging confidential matters related to the investigation of a pickpocket, and for demanding funds and gifts from the relatives of the person under investigation.

After the Xicheng PSS began party rectification late last year, the bureau party group again conscientiously conducted education on party spirit and discipline among party members. They organized party members to study the related documents of the party Central Committee, the State Council, and the CCGPR, and, in light of the actual situation of the individuals and the units to which they belonged guided them in the discussion of the questions of why is it necessary to pay special attention to upholding the principle of party spirit and observing discipline and law, and how to better serve the people. Through study and discussion, the party members further enhanced their political and ideological consciousness, and the masses were also profoundly educated. Cadres and masses of the bureau have considerably enhanced their consciousness to resist unhealthy practices and serve the people. Leaders of the Xicheng PSS also called on the whole bureau to do the work well in six areas, including promptly handling the work on household registration; actively supporting the development of the tertiary industry; earnestly handling people's petitions; receiving the petitioners; doing what the masses have urgently demanded; and helping meet their needs. Now the Xicheng PSS's party members, cadres, and policemen can basically handle cases in accordance with these requirements. They have refrained from engaging in unhealthy practices, and have improved their work quality to the delight of the people. [Beijing XINHUA Domestic Service in Chinese at 0825 GMT on 26 May carries a public notice which says: Relaying an opinion from the Office of the CCGPR: Please publish in prominent position the item to be transmitted today entitled 'The Leadership Style of the Xicheng PSS of Beijing Municipality Is Honest and Upright, Its Instructions Are Heeded, and Its Orders Are Implemented in the Course of Correcting the Malpractices.' Thank you.]"

HEBEI LEADER STRESSES EDUCATION IN PARTY SPIRIT

HK240403 Beijing RENMIN RIBAO in Chinese 23 May 85 p 4

[Article by Xing Chongzhi, secretary of Hebei Provincial CPC Committee: "Strengthen Education in Party Spirit, Improve the Quality of Party Members"]

[Text] How to further strengthen the party spirit concept of the party members is a new question facing the building of our party. The current fine political and economic situation in our country could not have been brought about without the party members playing a vanguard and model role on all fronts. However, judging by the problems reflected in party rectification and reform of the economic structure, the damage done to our party by the 10-year "Cultural Revolution" was extremely serious. The emergence of new unhealthy trends is the expression in the new situation of the anarchism, lack of organization and discipline, and galloping individualism of the "Cultural Revolution."

Some party members have discarded communism, the spiritual pillar, babbling "ideals are invisible, tangible benefit is the best insurance," and "ideals mean intending to do something if it is profitable." They "make the great goals smaller and smaller and the small goals bigger and bigger, and become more and more careful in making their individual calculations." They have forgotten or run counter to the program of serving the people wholeheartedly. Under the pretext of reform, they use their powers or the opportunities afforded by their work to do everything possible to pursue the interests of individuals and small cliques, and even fail to enforce orders and prohibitions; if you have a policy, he has his countermeasures. The essence of these problems is lack or loss of party spirit. What merits attention is that many party organizations have neglected or relaxed education in party spirit for party members. Some even hold that "since economic measures are applied to manage the economy, education for party members is dispensable," and "now it is 'cash' that plays the decisive role, and political work is not of much use." Hosts of facts show that the more we engage in reforms, opening up, and invigoration, the more necessary it is to step up education in party spirit for party members. Only if the party spirit concept of the party members is strengthened can we fundamentally enhance their ideological and political qualities, lay a sound foundation for bringing about a fundamental turn for the better in party style, and ensure the smooth progress of reform of the economic structure.

The party spirit of party members is a concentrated expression of proletarian class nature. It requires that the party members firmly embrace the concept that the interests of the people are supreme and serve the people wholeheartedly. This basic characteristic cannot be changed at any time. However, party spirit has different contents and demands in different periods of history. During the war years the strength of a party member's party spirit was mainly judged by his resolution in the struggle against the enemy and by whether he could withstand the life-and-death test. During the period of the three great transformations after the founding of the state, a party member's party spirit was mainly judged by whether he could lead the masses along the socialist road. From the latter part of the 1950's up to the time of the "Great Cultural Revolution," a party member's party spirit should have been judged by whether he could persist in seeking truth from facts and resist "leftist" errors, and in particular, whether he dared to resist and oppose the ultraleftist trend of thought whipped up by Lin Biao and the "gang of four" during the "Cultural Revolution." The central task now facing our party is to build the socialist four modernizations. In the face of this situation and task, the main hallmark for judging whether a party member has party spirit and whether that spirit is firm or not is whether he bases his actions on making the country wealthy and strong and the people rich and unswervingly presses on with reform, or bases them on the private interests of the individual or the small clique and creates difficulties and obstacles for the reform. Every party member should clearly understand the new situation and undergo the new tests. If anyone forgets that he is a Communist Party member, fails to actively plunge into reform, and does not make contributions to making the country wealthy and strong and the people rich but instead looks for money in everything and enriches himself at public expense, then he has fought a losing battle on the field of the four modernizations; they must firmly embrace the idea of serving the people wholeheartedly, and be the first to suffer hardship and the last to enjoy comfort.

Party members must work selflessly for the public interest, and organize and lead the masses to follow the road of prosperity for all; they must have the concept of the overall situation, and spontaneously subordinate partial and individual interests to overall interests; they must have the spirit of seeking truth from facts, proceed from reality in everything, resolutely implement the guidelines, policies, and decrees of the party and state, and observe party discipline; they must have the spirit of assiduous study and continually enhance their ability to serve the people.

In the past we had some good methods of carrying out education in the party spirit, and various places have created some new experiences in this respect since launching party rectification. These methods and experiences include holding concentrated rotational training, analyzing typical examples, conducting comparison and examination, organizing heart-to-heart talks, inviting old comrades to lecture on traditions, inviting heroes and models to make reports, seeing films that teach about the revolution, and organizing discussions on specific topics. These are all effective methods. The question of observing discipline is also included here. Observing discipline is also an education, moreover it is even more serious education. These experiences show that in order to conduct education in party spirit in a vivid, lively, and highly effective way, it is necessary to pay attention to "four characteristics."

The first is appropriateness. We must make efforts to conduct investigation and study, get a clear picture of the ideological characteristics and existing problems of party members of different categories in the new situation, and ensure that the right remedy is applied for the person concerned; empty lecturing should be avoided. At present we must pay particular attention to teaching and guiding the party members to have a correct understanding of the relationship between reform and correcting new unhealthy trends, and to get rid of erroneous ideas such as "the new unhealthy trends are caused by the reforms" and "curbing these trends means striking at people's enthusiasm for reform." They must unswervingly carry out reform and resolutely correct the unhealthy trends.

The second characteristic is that of systematic education in party spirit and basic knowledge about the party, and clearly understanding from integrating theory with practice what is the party spirit of party members, and how to be a qualified party member.

The third characteristic is that of knowledge. The party lessons conducted in the early 1950's, which were integrated with lectures on the history of the development of socialism and material dialectics and so on, played a positive role in teaching party members to establish the correct world-view and have staunch faith in communism. We should also apply this method today.

The fourth characteristic is regularity. Apart from grasping education in party spirit as a focal point in party rectification, we must also carry on with the whole set of effective educational methods created and applied in party rectification, so that the party's ideological education work will better meet the needs of the new situation and tasks.

In carrying out education in party spirit, we must start with the leadership groups at all levels. If the leading comrades have strong party spirit and proper style, they can lead the party members to bring about a fundamental turn for the better in social mood.

MA HONG ON SOCIAL SCIENCES DEVELOPMENT TRENDS

HK240522 Shanghai SHIJIE JINGJI DAOBAO in Chinese 6 May 85 p 2

[Report by Shi Ling: "Ma Hong on Trends and Characteristics of the Development of Social Sciences"]

[Text] Not long ago, at a meeting Ma Hong, president of the Chinese Academy of Social Sciences, said that under the influence of the strong tide of the new worldwide technological revolution, six noteworthy major trends and characteristics of development have come into being in the contemporary social sciences. The six major trends are as follows:

The Increasing Use of Mathematical Methods and Models To Make Analysis on a More Accurate Basis

With the development of the social sciences, since the middle of this century many scientific methods commonly used in the natural sciences, such as mathematical methods, cybernetics, systematics, and informatics, have been used in the field of social science in a big way. Much social science research not only requires various mathematical tools to make quantitative analysis of the complicated social processes, but also needs to build and apply various mathematical models to analyze the social processes. The use of computers and various mathematical methods in social scientific research work has made the analyses and studies more accurate and intensive, has greatly improved the quality efficiency of social scientific research, and has brought "experimental means" to the field of social science.

Comprehensiveness of Social Sciences

The objective process of contemporary social history determines the high comprehensiveness of subjects of social scientific research, and this determines the trend of contemporary social sciences to be comprehensive.

The comprehensiveness of scientific research is also reflected in the overlapping of social science and natural-technological science. In modern times, the settlement of any major technological issue, economic issue, or social issue, such as the formulation of a national economy plan, the forecasting of socioeconomic development, the formulation of plans and policies for scientific and technological development, and the handling of the environment, energy, population, transport, and urban construction issues, not only requires the extensive cooperation of various main branches of both social science and natural-technological science and the comprehensive use of methods and knowledge in many branches of science, but also requires a creative entity of learning derived from the natural-technological science and social science. The comprehensiveness of social science is also reflected in the overlapping of various branches of social science. Political, economic, ideological, and cultural developments are in fact aspects of a united process of social development. The division of branches of learning only shows the limitation of man's knowledge. At present the number of branches of learning in social science is increasing, and the knowledge in each discipline is becoming more and more profound. The scope of every discipline in social science is also changing, and many new marginal, cross, and comprehensive branches of learning have emerged. Therefore, comprehensive research which involve many branches of learning and the extensive application of the achievements of such research have become a marked characteristic of the contemporary social sciences.

Closer Ties Between Basic Studies and Applied Studies in Social Sciences

The social functions of social sciences in modern times have changed greatly. Social sciences not only contribute to the forming of social ideology but also to the improvement of production and management. Like natural sciences, social sciences have been shifted more and more into direct productive forces. Philosophy and social sciences have been continuously revealing the characteristics and laws of man's intellectual development and have been contributing to the enhancement of man's intellectual capacity. As they have been continuously revealing the laws of production activities and social organizations, social sciences have become an indispensable tool for conducting scientific management in production processes. Contemporary philosophy and social sciences are also playing an important role in social management and in the settlement of various social problems. The objective laws revealed by philosophy and social sciences also provide a scientific foundation for the state's policymaking in the handling of major domestic, foreign, and military affairs.

Social Sciences Are Oriented More to Studies of the Future

In modern times, technologies are developing rapidly, and social changes are becoming quicker. Therefore studies of the future the making of forecasts, and the formulation of strategic options have become important tasks for philosophy and social sciences.

The studies of the future serves the formulation of plans for social development. Consulting services for policymaking have become a new subject of the social sciences. The information and forecasting functions of social sciences have shown their great clout in modern times.

The Internationalization of Social Scientific Research

The trend of social scientific research in the postwar years to become more internationalized is reflected mainly in the following three facts. First, social researchers of different ideologies have entered into frequent dialogue and contacts. Marxism has influenced social scientific research in the Western capitalist countries, and lectures on Marxism can be legally given at universities in these countries. Marxist social researchers have also paid attention to the utilization of some achievements of social scientific research of the Western countries in a critical and discriminating way. Second, different cultures in the world, such as European and American culture, Chinese culture, Indian culture, and Arab culture, have begun to infiltrate and influence each other. Third, international cooperation in social scientific research and international academic exchanges have been strengthened. In particular, global and regional issues have attracted social scientists from various countries and from different schools of thought to carry out extensive cooperation.

The Mode of "Megascience" Is Developing in Social Scientific Research

Since the 1930's, more and more scientific undertakings have been organized and coordinated by governments and have been based on collective efforts. Manpower and financial resources are concentrated by the governments on organizing large-scale research projects which may last for many years to meet some special social needs. Since the end of World War II, especially since the 1960's, social scientific research has also adopted the mode of "megascience" to adapt themselves to the development of natural sciences and modern technology. The series of research projects that involve many branches of learning have developed some new methods and software systems, which are conducive to the handling and analysis of a great deal of social data. Standard data libraries have been established and large-scale social experiments and social projects have been carried out.

The social index systems, the social forecasts, and the social appraisals have played a major role in influencing the policymaking and social planning of governments.

Ma Hong stressed that the above-mentioned trends in the development of social science have greatly changed the social functions of social science. He said that social science now not only influences social ideology but also directly influences the entire social historical process through its functions in production, management, information, and forecasting.

OFFICIAL CAUTIONS AGAINST HASTE IN CONSTRUCTION

OW262322 Beijing XINHUA Domestic Service in Chinese 1258 GMT 25 May 85

[By reporter Ge Daxing]

[Excerpt] Beijing, 25 May (XINHUA) -- The construction of key projects in China this year should proceed in an orderly and scientific way in accordance with planned specifications and progress, and we should not blindly race for construction speed, disregarding the financial and material capability of the state and engineering quality. A responsible person concerned of the State Planning Commission recently emphasized this point when he was briefed on the situation of the key state projects under construction.

It is reported that the situation of the key projects under construction in China is not bad this year. The leading comrades of various localities and departments are paying close attention to the construction of key projects and to the timely solution of problems in the course of the construction. All trades and professions are energetically supporting the construction of key projects. The PLA has contributed manpower and material resources to the construction. The CYL Central Committee has organized an emulation campaign, with the theme "dedicating our youth to the construction of key projects" and with the participation of 1 million CYL members and young people. By the end of April, 23.7 percent of the annual investment plan for 169 large and medium-sized projects being built by the state at a rational speed had been fulfilled, exceeding the nation's average of 15.5 percent. Most auxiliary projects are being built at the same time as the main projects. However, in some projects, there is a tendency to race for building speed in disregard of reality.

The responsible person concerned of the State Planning Commission pointed out: To advance the building schedule of a project at will in disregard of subjective and objective conditions will expand the scale of construction, prevent auxiliary projects from keeping pace with the main structure project, and aggravate the strains on material supply, particularly the supply of rolled steel, cement, and equipment. Some organizations race for building speed without considering the progress of auxiliary projects and the supply of energy and raw and processed materials after the project is completed and put into operation. Therefore, even if the project is completed ahead of schedule, it cannot be tested and put into normal operation thereby yielding the effects of investment sooner. The early completion of the project is in fact a waste.

The responsible person concerned of the State Planning Commission urged all localities and departments to keep the scale of capital construction under strict control, further strengthen their leadership over the construction of the key projects, solve problems in good time in the course of the construction, seriously implement the system of fixed investment and the system of bids and contracts, ensure good engineering quality, save construction funds, and generally improve the efficiency of investment.

DEMOBILIZED SOLDIERS RECEIVE VOCATIONAL TRAINING

HK241448 Beijing RENMIN RIBAO in Chinese 23 May 85 p 4

[Report by Yuan Suoan and Shi Zhanqi: "Vocational Training for Demobilized Army Cadres is in Full Swing Throughout the Country"]

[Text] Vocational training for demobilized Army cadres is in full swing throughout the country. According to statistics, demobilized Army cadres participating in vocational training numbered more than 60,000 in 1984, accounting for 80 percent of people who should be trained. The rate was even higher in Liaoning, Sichuan, Jiangsu, Ningxia, and Heilongjiang, which had 90 percent trained. This work has created a favorable situation for the work regarding demobilized Army cadres.

The vocational training of demobilized Army cadres has been a new task since the work focus on the party and government was shifted. Based on Comrade Deng Xiaoping's proposal of "creating work situations for them in the localities," all localities have provided vocational training for demobilized Army cadres.

While conducting vocational training for demobilized Army cadres, all localities have paid attention to focusing on the characteristics of demobilized Army cadres regarding differences in age, cultural background, and work assignments in arranging courses for vocational training. They are given courses relating to their specific professions or to make up for what they lack. Specialities generally fall into the following categories: party work and government, finance and trade, politics and law, business management, industrial and commercial administration, agriculture and forestry, and taxation. Regarding the form of training, the method of multiple channels and layers is adopted by suiting measures to local conditions. On the basis of running professional training classes in universities and colleges and schools of all categories, another 400-plus demobilized Army cadres are organized to receive vocational training at Tongji University, the College of Finance and Economics, the College of Education, and Shanghai University. Those who pass the final exam will be issued a diploma for their speciality. The demobilized Army cadres accepted by Shenyang who should be trained were all sent to training centers.

All localities regard the vocational training of demobilized Army cadres as a very good chance to observe cadres. In Hebei, new demobilized Army cadres are not given immediate work assignments, and the idea is held that "no work assignments will be made and no responsible posts assigned to them before they are trained." Demobilized Army cadres are under observation in the course of training, and their assignments are announced when the training concludes. In Sichuan, work assignments are announced; however, demobilized Army cadres are told that readjustments will be made based on observations. These measures have effectively promoted the enthusiasm of demobilized Army cadres in their studies and have improved the quality of training.

NANJING PLA STRENGTHENS YOUNG CADRES' TRAINING

HK240520 Beijing RENMIN RIBAO in Chinese 21 May 85 p 4

[Report by Wu Ding: "CPC Committee of Nanjing Air Force Strengthens Training, Education for Middle-Aged, Young Cadres"]

[Text] The CPC Committee of the PLA Nanjing Air Force attaches importance to the training and further studies of middle-aged and young cadres. After doing practical work at their posts for a certain period of time, these cadres take a refresher course to sum up their work as that they can rapidly enhance their working ability and improve their art of leadership.

Through practice the past year or so, new members of the leading bodies of the Nanjing Air Force at the army, divisional, and regimental levels have proved equal to their tasks. When Zhang Tingfa, member of the Political Bureau of the CPC Central Committee and Air Force commander, was inspecting the work of the Nanjing Air Force, he praised the method of "summing up work after a certain period of practice in order to make further progress." He also said that it is necessary to adopt the method in order to speed up the building of the leading bodies.

Over the past 2 years or so, the CPC Committee of the Nanjing Air Force has selected about 300 middle-aged and young cadres to take up leading work in the leading bodies at the army, divisional, and regimental levels. The average age of those working at the Army and divisional levels is about 40.

After the readjustment, 79 percent of the members of various leading bodies have an educational level of a senior secondary school or above. In every leading body there are one or two university or college graduates. Divisional commanders, regimental commanders, and army commanders of the Air Force, as well as the Air Force commander of the PLA Nanjing units are of pilot origin. All divisional commanders and regimental commanders can fly their aircraft.

The Nanjing Air Force CPC Committee recently made a decision that various departments refrain from holding meetings for a short period of time, and that those middle-aged and young cadres will not be assigned to shoulder temporary tasks so that they will have sufficient time and ample opportunities to enhance their capability in practice. In the meantime, the CPC Committee of the PLA Nanjing units has set up more than 100 small groups composed of elderly cadres. With a definite object in view, members of the groups pass on experiences, give help, and set examples in training the new cadres. Thanks to the joint efforts exerted by the upper and lower levels, after acquainting themselves with the actual conditions of their work for more than 6 months, the new cadres have suited the needs of their work, and have initially acquired their prestige as leaders among the cadres and fighters.

After discovering that these new cadres have proved equal to their tasks, the Nanjing Air Force CPC Committee adopted methods such as assembling cadres for training on special topics, organizing cadres to participate in meetings instead of assembling them for training, or organizing them to attend meetings before assembling them for training, and others. It ran training class nine times which involved seven kinds of leading cadres, including air force divisional commanders, regimental commanders, flight commanding officers, chiefs of staff, directors of political departments (sections), cadres at the divisional and regimental levels who are in charge of administration and management, and so on.

These middle-aged and young cadres left their posts for a short period of time so that they could conscientiously read books and study documents issued by the higher authorities to quietly and seriously review and sum up their practical experience. A certain Air Force division once organized two combat units to take part in a combat exercise with live ammunition involving a change of operational duties between pilots and the ground forces. By making use of the methods and knowledge they learned in the training class, the divisional commander and the two unit commanders worked out well-conceived plans and made an adequate appraisal of the situation to dispatch dozens of aircraft and more than 1,000 vehicles in an orderly way. They fulfilled their task on schedule with work quality fully guaranteed. The exercise was carried out smoothly without a hitch.

SELECTED SCHOOLS TO BEGIN MILITARY TRAINING

OW290821 Beijing XINHUA in English 0657 GMT 29 May 85

[Text] Beijing, May 29 (XINHUA) -- Students in 52 colleges and 102 high schools will receive military training beginning in September, the LIBERATION ARMY DAILY reported today.

The schools, including Beijing University, Qinghua University and other key institutes of higher learning, have been selected to pioneer the courses before military training is conducted for all college and high school students throughout the country. Military training was instituted in a number of schools in the 1950s but was later phased out. A new military service law adopted at the National People's Congress last year described military training for students as a requirement of national defense.

Military training will be compulsory for first- and second-year students. In colleges, the course will teach basic knowledge and skills for junior officers, while in high schools emphasis will be on basic training. A national conference is being held here to draw up a curriculum for the training. Participants include educators and officers in charge of the work from provinces, municipalities and autonomous regions.

HU QIAOMU, HAO JIANXIU PRAISE EDUCATION WORKERS

OW250125 Beijing XINHUA Domestic Service in Chinese 1438 GMT 24 May 85

[Excerpts] Beijing, 24 May (XINHUA) -- Some 150 representatives of children's education workers were invited to meet with party and state leaders at Huairan Hall to happily discuss their experience in the work of bringing up, cultivating, and educating the younger generation. Their hard-working and self-sacrificing spirit earned warm praise and encouragement from the party and state leaders.

The National Children's Work Coordinating Committee sponsored this forum at Huairan Hall on the eve of "1 June" International Children's Day. The approach of the children's festival day brought joy and smiles to these gardeners who cultivate the motherland's flowers. Most of these representatives are teachers at kindergartens and primary and middle schools. Others are after-school instructors, workers at children's-goods stores, and performers of the Chinese Art Theater for Children.

Hu Qiaomu and Hao Jianxiu, on behalf of the party Central Committee, the State Council, the society, and parents of the children, expressed sincere gratitude and extended cordial solicitude to the children's education workers.

Comrade Hu Qiaomu said: Children's education workers have bravely shouldered the task of cultivating the next generation under difficult and arduous conditions and have made outstanding achievements. Your self-sacrificing spirit deserves the respect of the whole society and emulation by all the party members and people. We will do all we can to back you up to enable you to work and live even better.

The forum was presided over by Kang Keqing, chairman of the National Children's Work Coordinating Committee. She said in her speech that children's education workers must explore and study the new conditions and problems arising under the new situation. They still have much to do in order to truthfully cultivate the children into successors with all-round development and develop them morally, intellectually, physically, and in the sense of beauty. All sectors must pool their wisdom and efforts to create a new situation in children's work in the spirit of reform.

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CHINA
PRC NATIONAL AFFAIRS

Leaders Meet Education Workers

OW250131 Beijing Domestic Service in Mandarin 1200 GMT 24 May 85

[Text] Xi Zhongxun, Hu Qiaomu, Chen Muhua, Chen Pixian, Hu Qili, Hao Jianxiu, Peng Chong, Zhu Xuefan, Ngawang Ngapoi Jigme, Seypidin Aizezi, Zhang Aiping, and Kang Keqing successively met with all the representatives of the children's education workers attending the 1 June International Children's Day forum and all the representatives attending the national forum of advanced college students who are willing to work at far-away places and devote themselves to the four modernizations, and posed for pictures with them this afternoon at Zhongnanhai's Huairan Hall.

BELJING PLANS EVENTS FOR 1 JUNE CHILDREN'S DAY

OW270838 Beijing XINHUA in English 0819 GMT 27 May 85

[Text] Beijing, May 27 (XINHUA) -- All 970,000 school children in Beijing will be able to take part in at least one program this week in celebration of International Children's Day on June 1, according to an official of the city's Education Bureau here today. On that day about 40,000 children will take part in dancing and games, and see films, performances and conjuring acts in the Great Hall of the People, said Sun Xikun. They will be joined by more than 1,700 foreign children living in the capital.

Party and state leaders will meet children's representatives. Also present will be noted scientists, educationists, model workers, athletes and after-school activities counsellors. Some children will visit Chairman Mao's Memorial Hall and his former residence, and the residence of Soong Ching Ling, late honorary chairman of the People's Republic. There will be an international book fair selling children's books in the Museum of Chinese History from June 1-6. Children's books will be sold at a 10 percent discount for about a week, Sun said. Parks, cinemas and theaters will allow children free entrance on that day, and bus rides will be a uniform five fen for a single journey of any distance.

The China National Children's Center and Beijing's children's palace have prepared new programs and opened new recreation areas, added the official. The local governments of the city's districts and counties will hold similar activities in parks, sports fields and auditoriums. "We will show special concern for orphans and handicapped children this time," said Sun.

Local leaders will visit welfare institutes and schools for handicapped children, take gifts and arrange entertainment.

HE DONGCHANG ADDRESSES COLLEGE STUDENTS FORUM

OW240422 Beijing XINHUA Domestic Service in Chinese 1441 GMT 22 May 85

[By reporters Yang Zhaobo, Zhao Wei]

[Excerpts] Beijing, 22 May (XINHUA) -- "Go to the great northwest, go where conditions are hardest, or go wherever the motherland most needs us to devote our wisdom and strength to the four modernizations of the motherland!" This was the common voice of 70 advanced representatives attending a national college students' forum on "having a lofty aspiration to work in any part of the country and devoting oneself to the four modernizations of the motherland," which was held in Beijing today.

Among those present were graduating college students who volunteered to do pioneering work in border areas or areas where conditions are difficult. They came from more than 60 universities in the country's 28 provinces, municipalities, and autonomous regions. Also attending the forum were people who had graduated from college in the 1950's or 1960's or several years ago and already had made outstanding achievements in the building of border areas.

At the forum, Minister of Education He Dongchang said: Your action reflects the new mental attitude of young people in the 1980's. College students throughout the country should learn the spirit of devoting oneself to the four modernizations and foster lofty aspirations and great ideals in contributing to making the motherland powerful and prosperous.

Responsible persons of the CYL Central Committee and the State Nationalities Affairs Commission attended today's forum. This forum, scheduled to last for 6 days, was jointly sponsored by the Ministry of Education and the CYL Central Committee.

AUTHORITIES URGED TO CHECK BOGUS CIGARETTES

OW262125 Beijing XINHUA Domestic Service in Chinese 0815 GMT 24 May 85

[Excerpts] Beijing, 24 May (XINHUA) -- Reporter Yang Like's letter "Beware of Harmful Counterfeit Cigarettes."

This reporter has learned from the China National Tobacco Corporation that the recent flooding of counterfeit cigarettes into some places is causing serious damage. If not strictly checked, more people will become victims, and the interests of both the state and the consumers will be harmed.

It was learned that the counterfeit cigarettes found in different places come in many varieties and that almost all brand names are available. The entry of these goods into the market has dealt a serious blow to the production and monopoly of state tobacco factories and caused great losses in state revenues at all levels. Moreover, the raw materials used for making these cigarettes come mainly from inferior or deteriorated tobacco leaves rejected by state purchasing departments. In order to cover their deception, the counterfeiters even added gold powder [huang jin fen 7806 6855 4720], loam [huang tu 7806 0960], purple soil [zi tu 4793 0960] and other poisonous elements to the cigarettes, thereby directly jeopardizing smokers health.

As is known to all, manufacturing counterfeit cigarettes violates the country's regulations on the tobacco monopoly as well as laws and regulations on trademarks, taxation, and industrial and commercial management. Because it affects state revenues and harms the interests of the consumers, its continued rampancy is absolutely intolerable. Hence, people must heighten their vigilance and be wary of these cigarettes. Local governments and departments concerned must increase surveillance over illegal cigarette-making activities. They should impose economic and legal sanctions against lawless elements and confiscate and destroy the counterfeit cigarettes to safeguard the interests of the state and the consumers. Experiences in some places have shown that as long as the leadership pays attention to the matter, relies on the masses, and tightens control, it is possible to suppress the illegal manufacture, transport, and sale of bogus cigarettes.

GUANGZHOU MILITARY CADRES TRANSFER TO CIVILIAN WORK

HK250736 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 22 May 85

[Text] Some 60 cadres at the regimental level of a certain army of the Guangzhou Military Region whom it has been decided to transfer to civilian work, have conscientiously obeyed these party arrangements and have worked hard to stand fast at their last posts. Their exemplary deeds have set a good example for party members and cadres in correctly dealing with streamlining and reorganization.

Over the past few months, after it was decided to transfer them to civilian work, these cadres at the regimental level have wholeheartedly engaged in the building of their units, have done their best to perform their duties, have done their own work well, have not relaxed their efforts, and have not lowered their standard of work. They have seized the limited time before they leave their units to contribute toward creating a new situation in building their units.

None of them have applied for leave and left their units or have taken advantage of their work to find employment for themselves. None of them have taken advantage of their powers to make arrangements for their family members and children or to indulge in unhealthy trends.

HENAN SEEKS FOREIGN COOPERATION IN COAL PRODUCTION

OW281125 Beijing XINHUA in English 0718 GMT 28 May 85

[Text] Zhengzhou, May 28 (XINHUA) -- Henan Province is negotiating with foreign firms on possibilities for joint development of coal resources in the province, the provincial authorities said here today.

An agreement has already been concluded with a Hong Kong firm and the U.S. Koyos Andt Corp. Intended to provide a 500 million U.S. dollar interest-free loan in a compensation trade project.

Henan has 20.04 billion-ton reserves of coal, the seventh-largest amount in the country.

Last year, the province excavated a record 69 million tons of coal -- five million tons more than in 1983, making it the second-biggest producer in China. This output was worth 1.7 billion yuan, ranking fifth in the province's industries. In 1980 it placed ninth.

In the first four months of this year, coal output came to 23 million tons -- 2.4 million tons more than the same period of 1984. Since 1949, output has increased at an average annual rate of 12 percent.

Now it has 34 large and medium-sized underground mines, each producing at least 600,000 tons of coal a year. The degree of mechanization has reached 42 percent. In addition, there are more than 2,000 small mines run by townships, which produce one quarter of the province's coal.

The province expects to top 80 million tons annually by the turn of the century.

HUNAN COMMENTATOR URGES LEADERS TO DO PRACTICAL WORK

HK241320 Changsha Hunan Provincial Service in Mandarin 1100 GMT 23 May 85

[Station commentator's article: "Leaders Must Do More Practical Work"]

[Excerpts] Comrade Deng Xiaoping recently pointed out: Leaders must do more practical work. The bad work style of only issuing instructions and indulging in idle talk must change.

All departments, places, and principal responsible comrades, must pay attention to this problem. This statement by Comrade Xiaoping shows great foresight, notes a current problem, and is worth pondering by leaders at all levels.

Over the past few years, due to the example of the leading comrades of the central authorities, the ideological style and work style of leaders at all levels have greatly changed. They have told the truth and done practical work. They have done their best to perform their duties for building socialism with Chinese characteristics and have done many things which were not done for many years in the past, although they wanted to do these things.

However, some comrades have lacked initiative and creativeness and have been content with the work of passing documents and information to the upper and lower levels and copying and deciding on them accordingly. These comrades have said plausibly and at length: This is politically in line with the central authorities. The statement of being politically in line with the central authorities is no doubt correct. The problem is how to be in line with the central authorities.

The task the CPC Central Committee has set us is to lift ourselves out of poverty, to become rich and strong, to eliminate backwardness, and to move toward modernization. This is an unprecedented, pioneering cause. Apparently, this cause can only be realized by relying on the common wisdom and industrious labor of the whole party and the whole people. Our country is vast and conditions vary between places. Major and minor things being decided by the central authorities is unrealistic and runs counter to the Marxist theory on knowledge.

The central authorities can only grasp the major national things and the plans and overall blueprints. How to implement them in conjunction with the situation of different places depends on the hard work of leaders at all levels and all people. If our leaders at the lower levels only act as an office for incoming and outgoing mail and do not do everything possible to realize the blueprints formulated by the central authorities, the principles and policies of the central authorities cannot be implemented at the lower levels. How can this be said to be in line with the central authorities?

Basically, those comrades who do not do practical work are lazy. These comrades are too lazy to understand the instructions of the upper levels and to investigate the situation of the lower levels. Although some comrades have driven to the lower levels to look around, they have merely made a cursory observation. They did not basically understand whether work conformed to realities or not. If this situation does not change, it will be impossible to improve the work of their own places and departments.

Leaders are required to do more practical work. This means that leaders are required to be good at linking the spirit of the instructions of the upper levels with the realities of their own places and departments, must grasp the crucial problems in the course of work, and must formulate effective measures and methods to solve the problems. Leaders must pay attention to listening to the masses' views and voice, must do more work to help the masses get rid of worries and resolve difficulties, and must solve in a down-to-earth manner some important problems which should be solved.

CHONGQING SURPLUS PERSONNEL BECOME PRODUCTIVE

OW281325 Beijing XINHUA Domestic Service in Chinese 0925 GMT 27 May 85

[By reporters Li Shuzhong and Wu Jincai]

[Text] Chongqing, 27 May (XINHUA) -- XINHUA editor's note: A number of staff members and workers of enterprises in Chongqing City who were "surplus people" yesterday have become "people who are making contributions" today. This change is worth our profound reflection. If they had not been discharged from their unsuitable positions or if they had not taken positive steps to find new productive work, this change could not have taken place. At present, many enterprises are experiencing a situation of being overstaffed and of decreasing overall labor productivity. They have "old and difficult" problems which they have been unable to surmount for a long time. Reading this report may be beneficial to them. [end editor's note]

As a result of organizational streamlining in the course of reform, about 10 percent of the staff members and workers of many state enterprises in Chongqing City have become "surplus people" in the production force. There are three main reasons for this situation: First, the hiring system was unreasonable and people were "appointed at random." Many workers were assigned to enterprises where they could not perform their tasks in an appropriate manner. For instance, one-fourth of the staff members and workers of the No 2 construction company were women. Second, improvements in production technology eliminated the need for a large work force. Third, the streamlining of the enterprise organization in order to raise efficiency caused the discharge of staff members and workers.

What should those "surplus people" do then? According to a calculation made in Chongqing City, if those surplus people had to depend on the state for their living, the state would have to pay them 45 million yuan in wages alone each year, not to mention labor insurance and other welfare costs. However, many of those "surplus people," had aspirations. They were convinced that leaving their original posts did not mean that they would cease making contributions to the state. Accordingly, they clearly put forward their call: We too want to make contributions to the state.

The No 4 plant of the Chongqing steel works had more than 100 surplus personnel. They first organized a service team for staff members and workers of the plant. They produced bean curd, bean sprouts, and drinks for the staff members and workers. Later they used the plant's waste materials to produce hardware products. They created a good amount of wealth. In 8 months, they made a profit of 430,000 yuan and delivered 110,000 yuan in taxes to the state.

The surplus personnel of the water transportation company in Chongqing City took a different road. The company had 600 female workers who were not suitable for water transportation work. They set up a sewing plant, a hotel, and stores. They transported goods to distant places for sale, grew mushrooms, and raised eels. Their total income in the past year reached more than 4 million yuan, accounting for 26 percent of the total income of the company. They not only gained their own "rice bowl" but also made a profit of more than 200,000 yuan for the company and turned in more than 60,000 yuan in taxes to the state.

In Chongqing City, there are many more such examples. Surplus personnel have opened up scores of new productive ways. They have not only created wealth for society but also increased their own income and raised the overall labor productivity of their original enterprises. Some of them have said with pride: Now we are again people who can make contributions to the state.

BELJING FAVORS GRADUATES WHO WORK IN REMOTE AREAS

OW281441 Beijing XINHUA in English 1206 GMT 28 May 85

[Text] Beijing, May 28 (XINHUA) -- Beijing college graduates who volunteer to work in western China's Qinghai Province and the Tibet Autonomous Region can keep their urban residence permits and, after eight years of work, they can return to live in Beijing upon application. As for those assigned to work in other remote areas, their residence permits will be kept by their units and, when their service terms expire, the municipal bureau can help with the return procedures, with the approval of the city's Higher-Education Bureau. This is part of the new regulations concerning the assignment of college graduates by the Beijing municipal government this year.

So far, more than 200 graduating college students from the city who had been assigned work in cities have put forward their names to work in remote northwestern border areas. Among other regulations, the Beijing college graduates assigned to work this year, after a five-year service term, are allowed to move to work on jobs suited to their specialities.

Moreover, those assigned to work in collective-owned units are allowed to work in township industrial enterprises, and individual households engaged in specialized production. But their employers must sign contracts with their schools as well as with the graduates, and pay a certain amount of the training fees. According to the city's assignment plan this year, five percent of the outstanding college graduates can choose their own work units. But jobs will not be given to graduates who refuse to work in the units they have been assigned to, and they must repay all the scholarships and stipends they have received, as well as 10 to 20 percent of the fees for their training during their college years.

NEI MONGGOL TO OPEN UP TO TRADE, INVESTMENT

HK280427 Beijing CHINA DAILY in English 28 May 85 p 2

[Special to CHINA DAILY]

[Text] Inner Mongolia, China's "country on horseback", is beefing up its drive to open its virgin land to overseas investors. Because of its location, the region is particularly interested in trade with the Soviet Union, Mongolia and other Eastern European countries.

Through Erenhot and Manzhouli, the two major trading posts, the region will introduce advanced equipment and technology according to the region's office in charge of introduction of overseas equipment and technology. Achievements have already been logged. Erenhot has signed 32 contracts, valued at 32 million yuan, with overseas businesses. The city concluded contracts with a Hong Kong firm to install four color TV production-lines expected to go into operation later this year.

Spanning an area of 1.2 million square kilometres, Inner Mongolia boasts rich resources. Its forests cover 16 million hectares. Its timber covers 940 million cubic meters and some 25 million heads of livestock graze on its pastureland. Coal, oil and rareearth minerals also are abundant. However, much remains to be done to further tap the region's resources, the office said. At present, the region mainly sells its raw materials and primary products on the domestic market. The office said it will try to update local industries, seek more funds and improve management techniques.

THIRD SESSION OF JILIN PEOPLE'S CONGRESS OPENS

SK270733 Changchun Jilin Provincial Service in Mandarin 1030 GMT 25 May 85

[Excerpts] The Third Session of the Sixth Jilin Provincial People's Congress ceremoniously opened at the auditorium of the provincial guesthouse in Changchun this morning. Shouldering the great trust of the people of various nationalities throughout the province, more than 500 people's deputies of various nationalities from various fronts across the province, wearing red deputy cards, entered the session hall, smiling. They talked excitedly about the new phenomena and development emerging in the course of the economic reform in various localities during the break before the session was opened. A warm atmosphere of unity, reform, and progress prevailed throughout the session hall.

Permanent members of the presidium served as executive chairmen of today's session. They were listed in the order of the number of strokes in their surnames, as follows: Yu Ruihuang, Li Diping, Wu Duo, Yang Zhantao, Zhang Shiyin, Cui Cai, Qiang Xiaochu, and Dong Su.

All the members of the presidium of the session were seated on the rostrum. Also seated on the rostrum were Gao Di, secretary of the provincial CPC Committee; Wang Xianjin, Gao Dezhan, and Wang Zhongyu, deputy secretaries of the provincial CPC Committee; and Wang Daren, Zhao Xiu, Liu Jingzhi, Yu Lin, Song Jiehan, Zhang Fengqi, Che Minqiao, Zhang Dexin, Guan Mengjue, He Yunqing, Geng Yuelun, Luo Yuejian, Xin Cheng, Jin Minghan, Cai Qiyun, Lu Shiqian, (Li Deming), Wang Hongmo, and Li Xiangwu. Comrades Guan Shanfu and Mao Henian were invited to the opening ceremony.

At 0830, Yu Ke, executive chairman of the session, declared the session open.

[Begin recording] The Third Session of the Sixth Jilin Provincial People's Congress is now open. Now, I would like to call upon Governor Zhao Xiu to give a report.
[end recording]

Attending today's session as nonvoting delegates were members to the third session of the fifth provincial CPPCC Committee, principal responsible comrades of various committees, offices, sections and bureaus of the provincial government, and representatives of some cities, prefectures, counties, and districts.

The Third Session of the Sixth Jilin Provincial People's Congress continued its plenary meeting this afternoon. The agenda of this afternoon's meeting included two items: First, to hear a report by (Liu Guilin), vice chairman of the provincial committee for planned economy, on the draft plan for the Jilin provincial 1985 national economic and social development. Second, to hear a report by (Liu Jisheng), deputy director of the provincial financial department, on the draft of the 1984 final accounts and the 1985 budget. Deputy Director (Liu Jisheng) also put forward five measures for successfully carrying out the 1985 budget.

Executive chairmen of the afternoon's meeting were Yang Zhantao, Liu Cikai, Dong Su, Renqinzhamusu, Meng Tiezhi, (Wang Li), and (Zhang You).

Comrade Liu Cikai presided over the meeting.

LIAONING CORRECTS ENTERPRISE PROMOTE POLICY

OW232311 Beijing XINHUA Domestic Service in Chinese 0806 GMT 23 May 85

[By correspondent Li Ronghuai]

[Text] Shenyang, 23 May (XINHUA) -- In recent investigations in Liaoning, it was discovered that a number of enterprises had a higher rate of promotion for cadres than

for staff and workers for their outstanding performance and work contributions, and that, in promotion for cadres, the ratio of factory-level leading and middle-level cadres was excessively high. A handful of enterprises even ignored the higher authorities' stipulation concerning procedures for promoting staff and workers, overstepping the authorities in giving unauthorized promotions, job subsidies, or large bonuses to cadres. Thus, a new unhealthy trend of "every leading cadre having a share" in promotion and reward emerged.

According to investigations into 23 state enterprises in Liaoning, the promotion rate of cadres, 4,148 in total, was 14.78 percent, more than 4 times higher than the rate set for these enterprises. Of factory level cadres, 190, or more than 40 percent, received promotions, equivalent to 12.5 times the average promotion rate for staff and workers. In a few enterprises, all factory level leading cadres received promotions in one wage grade. However, the number of workers of these enterprises who received promotions was only 1.59 percent of the total workers. In some cases, none of the workers received promotions.

The Liaoning provincial party and the provincial government held that such an erroneous practice not only undermined the relationship between the cadres and ordinary people, and between the party and the masses, but was also detrimental to harnessing the enthusiasm of the large numbers of workers and staff in taking part in the economic structural reform, and development production. For this reason, the provincial government issued a special circular, calling on the people's governments of all cities and provincial departments concerned to strictly control the issuance of promotions, job subsidies, and bonuses to leading cadres, at and above deputy factory director level. The circular also made the following rules on relevant issues:

1. In giving promotions and rewards, it is necessary to fully consider the role of the overwhelming majority of production workers and intellectuals in raising economic efficiency, as well as the performance of staff and workers who have made special contributions to invigorating the enterprise, by rationally distributing promotion quotas for workers and cadres. In general, the promotion rate for cadres should not be higher than that for workers.
2. It is necessary to strictly control the issuance of promotions, job subsidies, and bonuses to leading cadres, at and above deputy factory director level. It is necessary to base the persistent rewarding of those who have made outstanding contributions, on the volume of the work. Promotion in wage grade should be recommended by the masses, approved by the workers' congress, reviewed by the party committee, and, with a report based on facts, submitted to departments concerned, for review and approval, according to the limits of authority in supervising cadres. Job subsidies, floating wages, and major rewards for enterprise leading cadres must first be discussed and approved by the workers' congress, and then submitted to departments concerned for review and approval before the implementation.
3. It is necessary to make a supplementary report, and complete procedures for promotions, floating wages, and job subsidies for enterprise leading cadres, at and above deputy factory director level, which have not been reviewed and approved by departments concerned. It is also necessary to resolutely cancel promotions criticized by the masses, or regarded by them as unreasonable.

FORUM ON ECONOMIC WORK IN SOUTHERN GANSU HELD

HK290121 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 27 May 85

[Excerpt] The forum held by the provincial CPC Committee and provincial government on economic work in southern Gansu ended in Tianshui yesterday afternoon. Li Ziqi, secretary of the provincial CPC Committee; and Hou Zongbin, vice governor, attended the forum, along with more than 300 people, including leaders of relevant provincial departments, leaders of Tianshui Prefecture, leaders of the cities and counties in Tianshui Prefecture, and leaders of [words indistinct].

At yesterday afternoon's meeting, Vice Governor Hou Zongbin delivered a speech. He pointed out that it is necessary to do away with traditional ideas and conventions and go all out to develop town and township enterprises in the province.

Hou Zongbin said: The main problems now existing in the province's economic work are that we have failed to make full use of the abundant natural resources in the province; a vast amount of raw and processed materials have not yet been well processed and upgraded and remain the same or elementary products only; the economic structure is unreasonable; a unitary agricultural economy is prevalent in most rural areas; and many areas have not yet gotten rid of poverty. Therefore, we must base ourselves on opening up to the outside world, on developing the economy, and on getting rich.

Hou Zongbin said: On the issue of developing town and township enterprises, three problems must be solved in our ideological understanding:

1. Town and township enterprises in the province must be expanded, not restricted. Although town and township enterprises have developed relatively rapidly in the province over the past 2 years, they are still in the initial stage as compared with other provinces in the country. Meanwhile, all localities are enthusiastic about running town and township enterprises.
2. It is necessary to go all out to develop town and township enterprises, to bring into play the initiative of various parts, and to [words indistinct].
3. It is necessary to develop town and township enterprises in a multi-tier way.

Hou Zongbin said: The most important thing at present is to solve the problems of funds, direction, and talented people. The method for solving the problem of insufficient funds is to raise funds from various parts, to seek a way out in various channels, and to lay stress on collecting social funds in particular.

He said: It is necessary to solve the problem of talented people in town and township enterprises through various channels.

Li Ziqi, secretary of the provincial CPC Committee, also delivered a speech at yesterday morning's meeting.

Improving Cadre Quality Stressed

HK290117 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 28 May 85

[Excerpts] Giving the concluding speech at the forum on economic development in southern Gansu convened by the provincial CPC committee and government, provincial CPC Committee Secretary Li Ziqi stressed that regarding the development of township enterprises, the leaders at all levels must emancipate their minds, unify their understanding, and do their work in a thoroughly sound way.

Comrade Li Ziqi said: Township enterprises have only just made a start in Gansu, and there are still none at all in many places. Speeding up the development of these enterprises is the breakthrough point for invigorating the province's economy. We must implant this idea among the cadres and masses and turn it into their spontaneous action. A great deal of hard work is needed.

Comrade Li Ziqi said: The reform of the urban structure and the second stage of reforms in the rural areas which are now underway set new demands on the cadres at all levels. It is no longer possible to act according to old experiences; it is essential to have genuine ability. At present, quite a number of comrades feel that their original knowledge is no longer useful enough; confronted with a mountain of new economic problems, they have few methods to apply and even feel quite helpless. Some other comrades respond tardily to the rapid development of commodity production. They lack sufficient understanding of this and their minds are not emancipated enough.

Hence, improving the quality of the cadres at all levels to meet the demands of the new situation in commodity economy is an extremely urgent task. Our economic construction cannot advance in great strides unless this problem is solved.

There are two ways of solving this problem. One is to appropriately increase the number of prefectural and county economic cadres, while keeping the leadership groups there basically stable. This is very necessary. The other is to step up in-service studies for the cadres as a whole, to gradually make them adept in economic work.

GANSU CPC MEETING ON SELECTING MANAGEMENT CADRES

HK290137 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 27 May 85

[Text] Yesterday afternoon the provincial CPC Committee held a conference in Lanzhou to mobilize the selection of industrial and economic management cadres for prefectural and county leadership groups. Liu Bing, deputy secretary of the provincial CPC committee, delivered a speech at the conference.

In his speech Liu Bing said that the provincial CPC Committee recently decided to select from economic departments, large factories, mines, enterprises, and universities and colleges in the province some 150 outstanding young cadres who have modern economic ideas and modern business management knowledge and who are familiar with industry to take up posts in prefectural and county leadership groups so as to upgrade the ability of the leadership groups in assuming overall responsibility in economic affairs, to handle economic work as a whole, and to promote the development of local industries and town and township enterprises in the province.

In his speech Liu Bing pointed out that after the readjustment and consolidation over the past 2 years, prefectural and county leadership groups in the province have been greatly improved as compared with the past. However, in terms of professional structure, there are very few cadres in the province who have economic knowledge, know how to manage businesses, and are familiar with industry. Therefore, selecting a number of cadres who are familiar with industry and have knowledge of economic management to take up posts in grassroots leadership groups is an important organizational measure for invigorating Gansu's economy.

CHINA POST ON SOVIET MILITARY BUILDUP IN ASIA

OW252022 Taipei CHINA POST in English 21 May 85 p 4

[Editorial: "Increasing Soviet Threat to Asian Security"]

[Text] Recent increase of Soviet naval power in the Asian and Pacific region has greatly increased Soviet threat to the security of this vast region. The Soviet war games staged by the Kremlin's Pacific Fleet involving nearly three-quarters of the Soviet ships deployed in the Asian waters were easily the largest ever mounted by the Soviets.

Soviet massive military buildup in Asia has been carried out for the last 15 years. Though the last month's maneuvers were apparently designed to test Soviet defensive capabilities, Kremlin has turned its small, coastal force into a blue-water navy with a decided emphasis on offense. The Soviets have not only sent in last month most modern surface vessels, most modern submarines and newest planes to Soviet bases at Cam Ranh Bay in Vietnam and to the sprawling submarine pens at Petropavlovsk on the Kamchatka peninsula. It has also deployed the most sophisticated weapons throughout Asia including more than 70 Backfire bombers, equipped with supersonic cruise missiles. The Soviets have also increased its number of SS-20 missiles in Soviet Asia from 108 to 135.

The sudden surge of Soviet naval power in this vast region accompanied by a sizable expansion of Cam Ranh Bay, former naval base built by the United States during the Vietnamese debacle, has rendered Soviet threat in this vast region ever more ominous. On the other hand, U.S. naval presence in the Asian and Pacific region remains weak and uncertain. The debacle of Vietnam has left the American people disheartened and disgusted in their involvement in the Vietnamese war. The sober recollection of that debacle was never more evident than the 10th anniversary of the Vietnamese war which was commemorated in the end of April. It was indeed a sad commemoration of that devastating war which the United States could have won but lost because it did not have the will to win although it had the means to do so.

Moreover, the United States is making the same mistakes of being too much pre-occupied in Europe, Latin America and other regions to pay too much attention to the Asian and Pacific region. It has allowed its 7th Fleet to languish and its ground force deplete. In the number of combat vessels in this area, the Soviets have 544 combat ships against about 180 U.S. ships. However, the United States has four more carriers in this area than the Soviets which have only two. The United States has also 91 major surface warships in this area against the Soviets 85 warships. Therefore, the gross number of 544 against 180 may be misleading.

However, there is no denying that Soviet threat to Asian and Pacific security in this area remains serious. It is important for all the Asian and Pacific nations to rally together to support the United States in countering the Soviet threat. They must, first of all, stop internal quarreling such as the Philippines dispute with the United States about the continuance use of its bases or the New Zealand's demand for a nuclear free zone around it. All such quarrels merely weaken the allied unity and delight the Communist.

U.S. policy of playing the China card has also permitted the Communists to play America card in return and divide the free world. Some Asian nations are even thinking of courting the Chinese Communist favors hoping to do a great deal of business with the Chinese mainland. On this point, recent warning issued by U.S. Secretary of Commerce Malcolm Baldrige about business hazards on the Chinese mainland should caution all those wishful thinkers. Instead, all free nations should be united in their endeavors to resist Soviet Communist or Chinese Communist threat to their common security and freedom.

WEN WEI PO EDITORIAL ON TALKS BETWEEN KOREAS

HK290341 Hong Kong WEN WEI PO in Chinese 29 May 85 p 2

[Editorial: "Korea's 'Three Communications' and Reunification"]

[Text] The eighth meeting of the Red Cross talks between South and North Korea is being held in Seoul to seek a solution to the problems of exchanges of mail and visits and reunification of family members separated by the Korean war.

The Korean war which broke out more than 30 years ago separated millions of families. Those who were children before the war are now middle-aged. Those who were middle-aged before the war are now old. The feelings of missing those divided family members are bound to increase with each passing day. This cannot be subdued even by political prejudice and geographic separation. It is obvious that choosing the above-mentioned problems to begin communications and cooperation between North and South Korea enjoys popular support. It is also easier to solve these problems.

The present meeting is different from the previous ones. The previous meetings were held in Panmunjom in the Demilitarized Zone. To attend the present meeting, the delegation of the North Korean Red Cross Society, headed by Yi Chong-yul, crossed the demarcation line of the Demilitarized Zone and entered Seoul in South Korea. According to wire service dispatches, the delegation was cheered by thousands of South Koreans. Regardless of the results of the talks, the fact that North Korean officials entered the area ruled by South Korea for the first time in 12 years signifies a certain improvement of relations between North and South Korea. It has been reported that apart from holding talks, there are other activities such as banquets, sight-seeing trips, and so on. One of the spots which the North Korean delegation will visit is the large stadium built by Seoul for the Asian Games and Olympic Games. All these arrangements show that both North and South Korea are creating a harmonious atmosphere.

Promoting the reunification of family members separated by the war is an aim of the contacts between North and South Korea. Apart from that, the two sides have started, or are considering talks on economic and political problems.

The first meeting on economic cooperation was held last winter, and the second meeting was held a few days ago. The third meeting will be held on 20 June. Such frequent contacts show the desire of both sides for cooperation. Of course, there are still differences between them. The South stresses trade whereas the North demands technical cooperation. The South proposes a gradual progress of cooperation whereas the North urges all-round cooperation. The differences do not lie in cooperation itself. They lie only in the measures to be taken. Although no specific results have yet been achieved, we can be cautiously optimistic about the prospects of their cooperation.

Political talks are being considered. On 9 April, the Supreme People's Assembly of North Korea wrote a letter to the National Assembly of South Korea, proposing talks between them to eliminate hostility and confrontation and to seek peace and unity. The National Assembly of South Korea and the three big political parties held a meeting in this connection. They said that they would give a "sincere" answer as soon as possible. Once the assemblies of the two sides hold their talks, the agenda of the talks between North and South Korea will be expanded from social and economic issues to political issues. Thus, the key to the matter will be touched upon.

Of course it is difficult to eliminate overnight the resentment piled up over scores of years. In particular, apart from the problems North and South Korea, there exists the problem of the direct U.S. military presence and interference.

Without abolishing these external factors, it is impossible to truly solve the Korean problem. This is where the greatest difference between North and South Korea lies. North Korea has repeatedly proposed tripartite talks which include the United States. However, the proposal has been rejected by South Korea. This has become the crux of the difficulties. However, there is no doubt that adopting an attitude of promoting contacts rather than refusing them marks an important start in advancing toward peace and reunification. When the two Koreas are unified in the future, their own social and economic systems as well as way of life will be retained in one country. This is the pattern of one country, two systems. This future has been gradually understood by North and South Korea. They are now exploring the path leading to such a future.

North and South Korea are both neighbors of China. The concept of one country, two systems put forward by China will have a certain influence over their efforts to seek their reunification. There is no doubt that China will also draw experience from their future results in the course of its reunification.

COLUMNIST DISCUSSES 'CHAOTIC' EDUCATION SYSTEM

HK280455 Hong Kong HONG KONG STANDARD in English 28 May 85 p 8

["Chinese Opinion" column by Chang Kuo-sin: "Education System Bugged Down"]

[Text] As China starts to move forward on the economic front, she appears to have been bogged down in a chaotic system of education that's held stagnant by its own legacy and suffering from lack of funds and lack of direction. It's another area of chaos and confusion created by the rush to reform and which has to be cleared up to make way for the reforms.

Even after nearly four years of pragmatism, the Mao-created legacy of anti-intellectualism and mockery of education still haunts the country, now daunting its effort at educational reform.

Premier Zhao Ziyang recently tried to shake off part of this legacy by re-cultivating respect for knowledge, talents and teachers, proclaiming September 10 as "Teacher's Day." But this is as yet confined mostly to rhetoric. Overall, as the Minister of Education Mr He Dongchang had admitted, the system of education lags far behind China's drive for modernisation. In a report to an education conference recently, he said, "The education system as it stands today is not capable of serving the needs of the four modernisation drive."

China is today in urgent need of a well-thought-out, carefully-planned policy for revamping the entire structure of schools, from universities down to the primary schools in the villages. With decisionmaking authority still concentrated in the hands of party cadres, who earned their position through participation in the revolution and not through experience and expertise, China had made a series of moves in the area of education which turned out to be ill-conceived and counterproductive. One such move was in overemphasising the importance of expanding tertiary education, to the neglect of primary and high school education. Steps are now being taken to remedy this mistake.

Another such move was in setting up what is officially called "heavy-point (priority) schools" and "heavy-point classes." Some of the education institutions in the country, from universities down, about 5 to 10 per cent of the total, are classified as "heavy-point schools" and some of the top performing classes in these institutions, also about 5 to 10 per cent of the total number, are classified "heavy-point classes." These "heavy-point schools" and "heavy-point classes" are given priority in funding and in the allocation of material resources.

This policy was motivated by the lack of funds. The government does not have enough money to fund all schools on an equal basis and is compelled to choose which schools to fund on a priority basis. But the policy had led to a number of undesirable consequences and has now become an object of severe criticism. This policy generated discrimination within the educational system, creating "second-class schools," "second-class classes" and "second-class students."

It was said to have created "a strange phenomenon" in the primary and high schools -- a preponderance of girls over boys in the "heavy-point classes," the girls gaining their preponderance for being more hardworking and more obedient students than boys in their age group. This "strange phenomenon," as expected, is causing considerable concern in the male-dominated Chinese society.

One of the severest critics of this policy is a highly-respected academician Prof. Qian Weichang, president of the Industrial University in Shanghai. He argued, "If this policy is continued, it will lead to more and more harm for the country. It makes both schools and students not in the 'heavy-point' category feel abandoned and neglected. They will acquire in due course an inferiority complex. They will feel they have no future. Morale will fall, and there will be no progress in education."

A strong demand is presently being built up for Beijing to spend more money on education. It was pointed out that, during the 1982-84 period, the budget for education increased only by a meagre RMB \$300 million a year. Statistics show that, calculating China's budget for education in proportion to population, China ranked third from the bottom among the world's 151 states, even below India and Egypt. This poverty in funding, interestingly enough, could turn out to be a blessing in disguise for China. It is forcing the government to open its door to privatisation in education.

Minister He suggested that one way to augment financial resources for education is, firstly, to "raise funds from the society" and, secondly, to encourage participation of private capital in the establishment of schools. Minister He's suggestion has yet to be tried out. It could provide no panacea for China's immediate problem of lack of funds. But there are indications that China's problem of lack of funds is not one of not having enough money to spend but one of mis-spending, squandering money on non-essential personnel and services.

Despite the limited funds, universities and colleges in China continue to recruit more people and create more jobs, just to accommodate some friends or relatives who are looking for jobs or party cadres retired from their own units. As a result, educational institutions are "swollen" with staff, according to China's world-renowned anthropologist Prof. Fei Xiaotong. All universities have exceeded their permitted establishment. The bulk of their funds are not spent on academic purposes, but on providing for the "swollen" staff and their families and also for students who are given not only free tuition, but also free boarding and lodging. Prof. Fei said many university campuses in China are like small towns. The prestigious Tsinghua University, for instance, has about 45,000 people in its campus, consisting of faculty and staff and their families and students. The vice-president had once quipped that he felt more like a mayor than an academician.

The over-staffing gives China one of the best faculty/student ratios in the world -- one faculty member to 1.3 student. In the tertiary institutions in Hong Kong, the best ratio is one faculty member to 10 students.

Another "strange phenomenon" in China's universities is that although there are so many people around, there are not enough hands to do the work. The result is that many tasks are left undone.

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The chaos in the system and the lack of direction have apparently led to dislocations in the administration, breaking down morale and generating a lackadaisical attitude all around. One Chinese Communist newspaper in Hong Kong commented that if faculty members in Chinese universities were to work half as hard as their counterparts in foreign countries, university enrollment could be doubled without putting any strain on the existing system.

XINHUA NEWS DIVISION MOVES TO NEW OFFICES

HK210419 Hong Kong HONG KONG STANDARD in English 21 May 85 p 2

[Text] The news division of XINHUA NEWS AGENCY will move to a new home this week to cope with its expansion. The exact date for the move, however, has yet to be fixed as renovation work on the office is still going on. The new five-storey office -- at 5, Sharp Street West, Wanchai -- is rebuilt on the site used to be the agency's headquarters. The shift will separate the news division from other departments, which deal mainly with publicity and public relations and will remain in the agency's present headquarters in Queen's Road East, Wanchai.

It will mark more clearly its internal division of work and enable it to cater to the needs of various sectors of the community more efficiently. The news unit is headed by a vice director, Mr Chen Bojian, who has a higher status than other department heads. The general editorial office, the Hong Kong-Macao news department, the Asia-Pacific news department and the photography department under it as well as the CHINA NEWS SERVICE will be housed in the 35,000-square-metre structure.

A spokesman for the agency said more space was needed to cope with its expansion, which included providing economic information services through facsimile transmissions and exhibiting art and cultural material through XINHUA. The second floor of the new building will be used as an exhibition hall for books, paintings, photographs, art and crafts.

The new office will also have sufficient lines with Cable and Wireless Company to ensure efficient connection with different parts of the world. The equipment is necessary because the Asia-Pacific news department under the news division is ranking with the agency's branches in London, Paris and New York as one of the four main regional centres for collecting and dispatching news. It is responsible for news from 10 branches -- Pakistan, India, Bangladesh, Nepal, Sri Lanka, Burma, Australia, New Zealand, the Philippines and Thailand.

The department also transmits reports from the Beijing headquarters, edits them and directly sends them to regional branches and more than 30 local subscribers. News transmitted to America and Africa often passes through the department too.

MACAO REPRESENTATIVE ON CONSULTING LOCAL PEOPLE

HK240751 Hong Kong SOUTH CHINA MORNING POST in English 24 May 85 p 1

[Text] China's official representative body in Macao, Nam Kwong Co, will set up a department to collect the views of the public when negotiations over the territory's future begin. This was disclosed by Nam Kwong's deputy general manager, Mr Li Yaoqi, yesterday. "I'm sure the views of people in Macao will reach Peking...and we can be one of the channels to help them," he said. Mr Li said there had not been much debate on the territory's future in past years, but he expected to see more discussion when talks between Lisbon and Peking begin. "You need that kind of atmosphere to generate discussion," he said.

Mr Li believed the talks will be settled more quickly than the Hong Kong negotiations because the solution to the Macao problem would, in principle, be modelled on the Hong Kong formula. "Today's Hong Kong is tomorrow's Macao," he said.

SHENZHEN CPC SECRETARY ON DELAYED 2D BORDER

HK240731 Hong Kong SOUTH CHINA MORNING POST in English 24 May 85 p 10

[From the "South China Beat" column by Albert Chan: "Snags Delay Opening of the Second Border"]

[Text] The costly second border which will separate the Shenzhen Special Economic Zone from the rest of China may be put into full operation before the end of the year, according to zone secretary-general, Mr Zou Erkang.

He said the original plan was to introduce a second border in July but that is now highly unlikely. Said Mr Zou: "The State Council is still considering a few remaining problems like the economic implications of the second border to the country." The end-of-year target date was possible if there are no "unforeseen obstacles" he said.

The deputy prime minister, Mr Yao Yilin, said earlier this year the second border is "ready -- but not for use." That was taken by some observers to mean the border will be left on the shelf indefinitely.

But Mr Zou pointed out that what Mr Yao meant was that the second border is now completed and although it will not be shelved indefinitely it will not be introduced immediately either.

Yet so far Shenzhen officials are unable to give an exact date for its operation because they say it is a State Council decision and not one for the Shenzhen Municipal Government.

Shenzhen customs and security officials, however, have long been at the ready and border gates can be closed and checkpoints manned the minute the central government gives its go-ahead. Since August about 1,000 customs and security officials have been manning the border round the clock and thousands of people and cars are daily checked when they cross. Probably the main difference when the new border finally does come into full operation will be the introduction of a tax-free zone in the special economic zone.

The Chinese Government has already agreed to give all goods bought in the Shenzhen SEZ tax-free treatment, with the exception of cigarettes and spirits. According to Mr. Zou, tax-free concessions will be put into practice "step by step" -- otherwise it will be impossible for customs officials to check for smugglers. Imported goods and products will be given tax-free treatment one after another rather than a tax-free blanket being thrown on all goods at one go. Price differences between commodities in tax-free Shenzhen will be so different from the mainland that smuggling is certain. Shenzhen SEZ is currently enjoying "half-tax" for some imported goods.

And there is already tax-free treatment for some products such as cars and television sets if purchasers -- mostly operators of foreign investment projects and joint venture companies in Shenzhen -- can prove they are for genuine use and not for resale.

Officials also said there may be a need to extend the second border to the north to cover expansion of the Meisha resort in east Shenzhen.

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